INDIAN STATES' OPIUM COMMITTEE 1927—1928

VOLUME III.—REPORTS

FOR THE STATES OF

INDORE,
JAORA,
JHABUA,
KHILCHIPUR,
MAIHAR,
NAGOD,
NARSINGHGARH,
ORCHHA,
PANNA,
RAJGARH,
RATLAM,
REWA,
SAILANA,
SAMTHAR,
SITAMAU,
PIPLODA.

CALCUTTA
GOVERNMENT OF INDIA PRESS
1929

CONTENTS OF VOLUME III.

PAGE.

Report for—

REPORT FOR THE INDORE STATE.

Muntazim Bahadur Lala NEHAL CHAND, M.A., Member for Abkari of the State Council, is the Committee Member representing the State.

The following papers are recorded by the Committee:—

1. Memorandum on the system of Excise on Opium in the Holkar State placed before the Opium Committee on behalf of the State by Muntazim Bahadur Lala Nehal Chand, Abkari Member.

2. A statement, placed before the Committee by Mr. Nehal Chand, showing the opium production in the State and the price received from the Government of India in the years 1917-18 to 1926-27.

3. A statement, placed before the Committee by Mr. Nehal Chand, showing the total payments made by the State to the cultivators on account of opium from 1920-21 to 1926-27.

4. Statements of six witnesses examined by the Committee.

The Committee unanimously record the following conclusions.

I.—Old stocks of opium.

There are no old stocks of opium in the hands of merchants in the Indore State, the stocks being entirely confined to opium in the possession, and stored in the Factory and warehouses, of the Holkar Government.

The question has been discussed of participation by the Indore State in a scheme, to be formulated hereafter, for the absorption of the old stocks of opium in Central India and Rajputana by purchase of all stocks from a central fund and the sale of these stocks to the States for the purpose of internal consumption. In this connection the Committee record the following conclusions:—

1. That the stocks now in the State Factory, amounting to 560 Maunds, will suffice for the internal consumption of the State (estimated at 200 maunds annually) for nearly three years.

2. That so long as the State continues to produce crude opium for Government it will naturally retain for internal consumption any opium rejected (owing to excess of oil or for other reasons) as unfit for despatch to Ghazipur but considered fit for internal consumption in the State, and also any opium produced, on account of seasonal variations, in excess of the Government requirement of 850 Maunds.

3. The present cost of producing and manufacturing opium in the State is estimated as follows:—

	Rs. per seer.
Cost of crude opium delivered at the Factory . . .	9
Supervision and manufacture	1
Raising consistency to 90°	2
TOTAL .	12

This is equivalent to a price of Rs. 816 per chest at 90°. It is noted, however, that by mixing a certain proportion of hard opium with the crude opium received from cultivators the cost can be reduced to about Rs. 11 per seer.

4. The Committee understands that the State is prepared, in the interest of the general scheme for promoting the absorption of old stocks, to refrain from cultivation to produce opium for internal consumption, and to purchase such opium from the central stocks, until such time as the stocks are absorbed, subject to the following two conditions:—

(*a*) The States which do not produce opium at present, or produce it in nominal quantities, should agree to stop producing it altogether until the stocks are absorbed.

(*b*) The Holkar Government should be satisfied that under the scheme as finally developed the States possessing considerable stocks have taken or agreed to take all reasonable measures for limiting and controlling production, distribution and sale of opium.

The Holkar Government further considers that the Government of India should be invited to join in the scheme of absorption by restricting production of opium in British India and taking some of their supplies from central stocks.

II.—PRODUCTION OF OPIUM IN THE STATE.

The State's agreement with Government for the production of crude opium involves the delivery to Government of a quantity not exceeding 850 maunds annually of opium at 70° consistency. In the last two years, since this quantity was fixed, the actual production in the State of crude opium of varying consistency has been as follows:—

	Mds.	Srs.	Chh.
1925-26	596	39	13
1926-27	1,172	27	8
TOTAL .	1,769	27	5
AVERAGE .	884	33	10½

It is recognised that the agreement with Government is primarily a business transaction, terminable at will by either party.

In order to estimate the direct loss to the State revenues which would be involved if poppy cultivation were abandoned, the following figures appear to the Committee to be relevant.

The loss falls under two main heads, of which the first is represented by the difference between the price for opium paid by Government to the State and the price paid by the State to the cultivators. In the year 1925-26 the price received from Government was Rs. 3,18,342 for 577 maunds 36 seers, giving an average of Rs 13-5-5 per seer. The price paid to cultivators was Rs. 2,43,255 for 597 maunds, giving an average of Rs. 10-2-11 per seer. The profit to the State was thus Rs. 3-2-6 per seer delivered to Government. In 1926-27 the figures are:—received from Government Rs. 3,50,436 for 849 maunds 26 seers, average Rs. 10-5-0 per seer, and paid to cultivators Rs. 3,47,902 for 1,172 Maunds 27 seers, average Rs. 7-6-8 per seer. The profit to the State was thus Rs. 2-14-4 per seer It is reasonable on these figures to assume an average profit to the Darbar of Rs. 3 per seer, which gives a maximum profit, from the delivery to Government of 850 maunds, of Rs 1,02,000.

The second head of loss is the loss of the enhanced revenue obtained from land under poppy cultivation. A new settlement is in progress under which the rates of assessment have been revised and reduced Under the old settlement much land originally under poppy had already lapsed into inferior land, such as "Gorma" or "Dry", and so paid the lower rates According to the figure suggested on page 6 of the Indore Memorandum the loss to the State under the new settlement on account of the discontinuance of poppy cultivation would be Rs 8 for every acre placed under poppy. The area required for producing a maximum of 1,050 ma[illegible] of India, and 200 for loca[illegible] to be obtained in the Indo[illegible] actual average of the last five years) is 4,200 acres The loss to the State under this head will thus come to Rs 33,600, taking into account only the land at present under poppy. To this has to be added the loss that would accrue to the Government by some of the irrigable land lapsing into dry land, and so paying only the dry rate of Rs 3 per acre This loss is impossible to estimate accurately, but at a difference in assessment of Rs. 4 per acre it would amount to about Rs 8,000. (It is reported that in the Mehidpur district and in the Sawer pergana 50 per cent of the area at one time under poppy has lapsed into land paying dry rates of Rs 3 per acre.) This loss would, of course, continue unless and until an equally paying substitute crop for the poppy could be found and brought into general use

It is reasonable to set against the losses detailed above the saving in the State's expenditure upon regulation and control of cultivation, estimated at Rs. 5,500 per annum, and the increase in the excise revenue from opium which would follow the abandonment of poppy cultivation, estimated at Rs. 35,000.

If the figures of loss and profit stated above are combined, the total calculable loss to State revenues is Rs. 1,43,600, and the estimated profit is Rs. 40,500, leaving a net loss of Rs. 1,03,100. The total revenue of the State according to the Administration Report for 1926-27 is Rs. 1,30,50,618, and a loss of Rs. 1,03,100 represents ·79 per cent. of this revenue. If the revenue from interest of Rs. 7,81,600 is excluded for the purpose of this calculation, as the representative of the State suggests, the percentage will be ·84.

The capital invested in the State irrigation works in the Rampura-Bhanpura District alone is stated to be Rs. 10 lakhs; and to the loss under this head must be added the loss of advances to cultivators (not in itself a considerable sum) which will have to be written off if opium cultivation is prohibited. Finally account must be taken of the loss to the cultivators, a matter of the greatest importance to the State, since the well being of its tenants is in the view of the State its most valuable asset. The losses on account of land revenue, irrigation works and agricultural profits of the cultivators could, of course, be made up in course of time if a suitable substitute for the poppy could be found. This subject is reserved for further consideration by the Committee.

III.—Final arrangements for supply of opium for internal consumption in the States of Central India and Rajputana.

The further question has been discussed of the possible production in the State of opium for internal consumption in other States of Central India and Rajputana, or alternatively of supply to the States of opium from Ghazipur.

The Committee understands that the Holkar Government does not desire to join in any scheme of distribution among States of the area necessary to produce the future opium demand of Central India and Rajputana. On the other hand, in the interests, not so much of its own revenue, as of its tenants, and in view of the strong sentiments of its population with respect to poppy cultivation, the Holkar Government is not prepared to abandon that cultivation altogether and take its supplies from cultivation outside.

IV.—The possibility of enhancing taxation upon opium and the probable financial effect of this policy.

Under this head the Committee understands that the Holkar Government agrees generally with the policy of maximum revenue from minimum consumption. It will, however, be some time before any considerable advance can be made, and any advance is conditional upon surrounding States adopting the same policy. At present the consumption in the State is roughly 200 maunds per annum; the profit from duty (represented by the difference between cost price of Rs. 10 per seer and warehouse rate of Rs. 35) is Rs. 2,00,000; and the license fee realizations are approximately Rs. 71,000. It might be possible in 10 years' time to increase the

warehouse rate, by gradual steps, to Rs. 60. If this reduced the total consumption to Rs. 130 maunds, the profit would then be Rs. 2,60,000. There might, however, be some loss in license fee realizations. It may be noted that every increase by Rs. 5 in the cost of opium would on a consumption of 130 maunds and a fixed warehouse rate involve loss of duty to the State of Rs. 26,000.

J. A. POPE, *President.*
G. S. HENDERSON, } *Members.*
AZIZUDDIN AHMED,
NEHAL CHAND,

5th December 1927.

Accompaniments to Indore State Report.

A Memorandum on the System of Excise on Opium in the Holkar State placed before the Opium Committee on behalf of the State by Muntazim Bahadur Lala Nehalchand, M.A., Abkari Member.

The system of Excise with regard to opium in force in the Holkar State is almost similar to that in vogue in British India. Its production, manufacture, export, import, transport and distribution is all under control. It is regulated by the State Opium Law and Regulations of 1922 based mainly on the standard draft suggested by the League of Nations and deemed necessary to bring the convention of 1912 in force. By means of this law practically complete effect is given to all the substantive provisions of the convention and which are very strictly enforced so far as extracts of opium used for smoking, medicinal opium, cocaine and allied drugs are concerned. The law absolutely prohibits opium smoking which was recognized a vicious indulgence preeminently seductive and dangerous.

The production and internal distribution of raw opium is also very effectively controlled. In fact we produce only as much quantity of opium as we require for our local consumption and for supply to the Government of India under the terms of our agreement with them and that too under the strictest control through the agency of licenses and careful scrutiny and selection of plots suitable for poppy growing. This will appear from the fact that during the last three years only 3,500 acres on an average were actually put under poppy, which, with an average of some 10 seers per acre, were calculated to give us a little over 850 Mds., the quantity we have stipulated to deliver to the Government of India. Its cultivation is at present confined to a few parganas of the Rampura-Bhanpura District. We do not grow for local needs at present as the stocks of old and crude opium in hand will supply these needs for some three years. The cultivators are allowed

to cultivate under license and bound to deliver all their produce to the Indore Government at a fixed price. The stuff received is either supplied to the Government of India or retained in the State Factory where it is purified and manufactured into standard cakes and issued to the retail vendors of the State at the rate of Rs. 35 per seer. Its cost price to the State comes to a little above Rs. 10 a seer. The vendors sell it at between 40 and 45 Rs. per seer. The privilege of retail vend is disposed of in open auction and given to those who offer the highest fee. The license vendors have to keep a regular daily account of the sales on their shops.

No import of opium has been allowed, as, in view of the glutted market, it was recognized pretty early that licensed wholesale dealers should not be allowed to add to their stocks by import and so a practically prohibitive duty of Rs. 80 per maund was imposed with the result that during the last three years there were absolutely no imports.

There are now no stocks of opium with the wholesale dealers as our Government fully realised the fact that as long as these stocks existed there would be leakage from them to the detriment of our revenue and it would also provide chances of smuggling.

There is absolutely no export trade in extracts of opium intended for smoking or in medicinal opium, cocaine, heroine or their derivatives and allied drugs. The little export trade in raw and manufactured opium is confined to a few neighbouring States. There is an export duty of Rs. 15 per chest of 68 seers. 343 maunds were alone exported during the last three years.

The consumption of opium during the last 5 years has been 200 maunds on an average for a population of 11,51,578 (1921) or 1 maund 30 seers per 10,000 people per annum. The cropped area of the State is 19,59,337 acres and of the three parganas in which poppy cultivation is at present permitted, 1,69,937 acres. The area under poppy in these parganas is 3,775, or a little over 2 per cent. of their total cultivated area. The Rampura-Bhanpura District comprising these three parganas is the most important as regards poppy cultivation. It is our poppy zone proper. Its wet land is properly suited to poppy, its tenants have traditional interest in its cultivation, it has been grown there for a very long time and its tenantry is reputed to possess special skill for its cultivation. For the last ten years this district alone has been supplying opium for consumption in the State for export and for supply to the Government of India. It grows there in all kinds of land, mostly in Kali 1 A, Kali 1 and 2; only Jogni and Oos (Khari) do not favour it usually it requires seven waterings. The irrigation is by means of wells, one of which with one *charas* will water about four or five acres. Most of the cultivators probably keep back a little opium for their family use. This is against law. But the high price of Excise opium and the ease with which it can be retained and carried makes them run the risk of transgressing the law. Various measures are devised to minimize this by more

active and systematic supervision and by securing the co-operation of the Revenue with the opium officials, in order to ascertain the actual outturn of each cultivator's field and to weed out those whose returns are so abnormally low as to justify the suspicion of fraud.

In a year of prosperity the poppy, though in extent less than 2 per cent. of the cultivation, pays 70 per cent. of the land revenue of the Pargana in which it is allowed. A rough estimate of the total value of the agricultural produce of the parganas shows that the poppy crop in good years may be valued at nearly 50 per cent. of the sale price of the total produce deducting the revenue and working expenses. The available surplus from poppy bears a far higher ratio to that for the other crops of the district, though it is difficult to estimate the exact proportion.

It is therefore clear that the most serious loss would be incurred by the cultivator and by the State were poppy cultivation abolished unless it were possible to provide a substitute crop or crops to take its place, by the introduction or extension of which the district surplus produce could be raised to the extent it would fall by the abolition of poppy. It does not seem possible. The special features of opium cultivation which render it so particularly valuable to our cultivators are, (1) the high value of the crop per unit of area occupied, (2) the comparatively small amount of labour required and (3) the fact that labour on poppy is mainly necessary at seasons when the cultivator has time to spare, and (4) that for best class of opium cultivators, the labour devoted to the opium cultivation costs little or nothing. Land for poppy is prepared and seed is sown after the rest of the spring crops are down and before irrigation is begun. The juice is extracted after irrigation of spring crops is completed and just before the reaping of the spring crop is begun in earnest, and the extraction of the juice is done by the families of low class cultivators and requires no hired male labour whatsoever. It might be possible to close poppy cultivation without loss if a substitute crop could be grown with the same surplus of income, and with the same advantages on the same area, and the cultivation of the more valuable crops extended over a larger area than they occupy at present.

Infine poppy has some very special advantages over other crops. It takes little time and admits other food crops being raised in the same year such as makka, etc. It gives them supplementary crops without much expense and ado such as Garlic, Dhania, Sarson and Masoor. It also gives them their best vegetable which they prize most and so dry and preserve for use all the year round. It pays [illegible] ...diary Sahukar with his ...und interest. There is ...g to the soil than wheat ...r in one year will grow ...ar. This is not so with ... village labour for weed- ... tenants such as Rajputs whose women folk are no help to them in field work. It also facili-

tates the payment of Government revenue and its seed gives them edible oil and oilcake which serves as food to their cattle. There is thus nothing, which, for value, can compete with poppy.

This is in spite of the fact that poppy is ruined by even a slight hail storm, is particularly sensitive to frost and rain which whilst it is in flower injures the crop by preventing full fertilization and also wastes off a large part of the yield of opium while the poppy is being extracted. Over irrigation or rain after irrigation is also very injurious to it.

The only crops grown in the State to any extent which may partially compare in value per unit of area with poppy are 1. sugarcane, 2. tobacco, 3. cotton, 4. potato. As regards the first there can be no doubt of its value to the cultivator. But it is unfortunately not suited to the Rampura-Bhanpura District, the greater part of whose soil is light black and not stiff and clayey that favours cane which requires the very best soil. Cane requires lot of water, lot of labour, particularly bullock and male, and provides much less for women and children. It is also most exhausting to the soil, does not admit its duplication and also interferes considerably with the late waterings of the rubby crops. And unfortunately Gud made from local cane cannot compete with the foreign stuff in the open market. Its seed is also very costly, an acre of sugarcane requires, I am told, about 50 Rs. worth of good seed. I think it is for all this that cane has been repeatedly tried in the district but did not succeed.

As regards tobacco that too is not suited to the soil of the district and its tenantry. It requires Gorma and Khar land and specially skilled cultivators like the Kumawats which are seldom found in the Rampura-Bhanpura District. Besides that the Rampura tobacco has no name in the market and so no demand. People will give fancy price for Sawer and Khachrod stuff and will not touch at any price the Rampura staff.

Cotton, people told me, they had tried and it came out very well in the first year. But gradually it fell in quality and quantity both.

As to potatoes the cultivators' idea is that its seed is costly. It goes bad very quickly and there is no local demand for it. It does not pay particularly for lack of market facilities.

It has also to be considered whether it is possible to extend the cultivation of the more valuable crops, such as wheat, over a considerably larger area than they now occupy. For, to make up for loss from poppy, the area in the Rampura-Bhanpura District under wheat shall have to be doubled. This is hardly possible as the small size of the holdings in the district and the large cultivating population which has, as a first charge, to be fed from the holdings has made the restriction of the area under the chief food grains used by the cultivators and labourers themselves impossible.

To estimate the effect of the abolition of poppy it is necessary to inquire and look clearly into the circumstances of opium cultivation

and opium cultivators. The loss will not be spread uniformly over the district and its population. Opium is of the highest importance to certain classes of the cultivators. It is of highest importance in probably over 60 per cent. of the villages of the district. The loss would, therefore, being restricted in area, fall with extra severity on certain classes and areas. From inquiry I find that poppy cultivation is of the highest importance to Kulmis and Sondhias and in the Narayangarh, Kanjarda, Kukdeshwar, Shamgarh and Chandwasa tappas of the district. These classes of tenants have got small holdings, have got the fixed aid of their women folk and possess particular skill for growing poppy. These tappas have got the land most suitable to poppy having the best of *addans*, and in them are collected an unusually large proportion of the close cultivating castes which grow poppy best. The land rates for that account are also kept very high in these tappas, 15 to 18 rupees per acre for good poppy lands. It is because the tenants in these areas have a large surplus produce after defraying cost of production and maintaining themselves and their families in the standard of comfort to which they are accustomed that they can afford to pay such high land rates. In the tappas noted above the prohibition of opium cultivation would imply the loss of at least half, if not more, of the income of the village as a whole. Thus the prohibition will, I am afraid, reduce almost the whole of the Kulmies, Sondhias and a large proportion of the Ahirs and Chamars in the Manasa and Garoth Parganas of the district from the condition of comparatively well-to-do people to that of day labourers living from hand to mouth or force them to emigrate. I have had a talk with many of such tenants. They told me that in the olden days they lived in comfort as their standard of comfort was not so high and everything was pretty cheap. After the Chhappan Kâ Sâl, *i.e.*, 1901 they would have been dead but for the opium cultivation. Ever since the curtailment they feel greatly pinched. After total stoppage they would be entirely gone.

The effect on high caste tenants such as Rajputs would by no means be very great. Opium cultivation is expensive for them owing to their having to indent for outside labour and at a considerable cost, their women not being able to help them in the field on account of parda. Their profits therefore are also smaller.

The abolition will also affect the Government in many ways directly and indirectly. The land will not pay as much as it does now and so the land rates fixed high in the district at the last settlement mainly for opium will have to be reduced. The present wet rates for wet and opium growing land in the district are on an average Rs. 15 per acre. The maximum rates for gorma land into which most of the poppy land will be ultimately converted is some 7 rupees per acre. They will thus have to be cut down by 8 rupees per acre on all the wet land in the district which is some 24,450 acres and so the loss in revenue to Government will approximately come to 1,95,600 rupees per annum. The loss will be actually much more than this as most of the irrigated area will

lapse into dry as tenants would not care to keep the sources of irrigation in condition for want of a profitable substitute. Besides that the Government have spent a huge lot of money on tanks and their repairs in the district and also from time to time made advances to the cultivators for sinking wells and their repairs. All this sum, which roughly comes to over 10 lakhs, will be lost. Besides that the State derives other revenue from opium, (1) from exports, (2) from internal consumption and (3) from supply to the Government of India. The average revenue from exports during the last five years has come to some 850 rupees per annum. The revenue from internal consumption comes in two forms, (1) the margin in supply price of excise opium which comes to some 25 rupees per seer (the difference between its cost to the State and the price at which it is supplied to the retail vendors) which comes on an average to 2 lakhs per year on an average consumption of 200 maunds per year (2) the income under vend fees, which, during the last three years, has come on an average to Rs. 88,000 per year. The revenue derived from sale to the Government of India has recently come down to about 1 lakh per year. The proportion that the total revenue of all kinds of opium bears to the total revenue of the State will approximately come to 3½ per. cent. The expenditure upon the regulation and control of the cultivation, manufacture and distribution of opium comes to about 10 thousand rupees per year. The loss of revenue to the State due to illicit practices in areas where opium is cultivated comes approximately to some Rs. 41,600 per year. Loss of revenue due to smuggling of opium from outside the State is practically little and so negligible.

The cost price of opium comes to a little over Rs. 10 per seer and the selling price is Rs. 45, the maximum fixed by us and at which it is usually sold. It would thus appear that the selling-rates are already high and do not admit of any immediate and substantial enhancement. Any forced and undue inflation of prices will give rise to illicit practices or divert people to more abnoxious and dangerous intoxicants.

The present source of supplies is the stock of old opium, purchased from the wholesale licensees of the State recently and stocked in our Opium Factory and the produce of our own fields.

There could be no gain in indenting our supplies of opium from Ghazipur as it could not be produced more economically anywhere owing to our special poppy soil, cheap skilful labour, moderate rates and little capital for seed and expenses. To import it from Bengal to Indore will be like carrying coal to Newcastle. Besides that the people here have no taste for any other opium except their own. The foreign stuff they find coarse, unsatisfying and lacking in aroma, fragrance and high sedative properties. To force foreign opium on our people would be resented by them.

It would be a happier solution if instead of the Government of India undertaking to produce opium for all the producing and non-

producing States, Indore and Gwalior, which, as I have said, had vital stakes in the opium trade and traditional interest in its production, were to undertake its production under careful control for supply to all non-producing States, if not to adjoining British Provinces, which also took their opium supplies from us some years back, at cost price, enabling all of us to raise our opium prices to the level of those obtaining in British India, thus reducing consumption in the States and removing the incentive to opium smuggling, a consummation devoutly wished by the Government of India themselves. We will be cultivating opium both for our needs as well as those of other States which decide to take it from us under the same safeguards and limitations under which it is cultivated in British India. Indore, and I believe, Gwalior too, have now no old stocks of opium and so practically no apprehensions of leakage and have also in existence efficient organisation to effectively control production, storage and distribution of opium and so can be presumed to be in a position to meet with the exigencies of the situation very much like the Government of India. It would also be a source of gratification to our Government to be able to show to the whole civilized world that by a policy of judicious and effective control in the matter of the production, storage and distribution of opium, it has enhanced its reputation and justified the special consideration shown to it by allowing it to produce not only its own opium but also for supply to the non-producing States.

The opium here is usually taken dry in tiny bits with a little water. It is hardly taken in the form of decoction and it is very very rarely smoked. Smoking is penalyzed and an 'Opium Sot', which is an appalling nuisance and a national shame, is a veritable rarity. In big towns there are one or two dens where old and sickly people, the very dregs of society, smoke it. They are really miserable as they have been punished time after time but still cannot give it up for anything. No new addicts are seen. The use of opium as a sedative for pain and worry is also greatly going down. Its normal dose is hardly more than a Ratti. It is not even administered to children now except in very rare cases; the old and pernicious institution of "Bal Golies" has gone quite into disrepute. It is hardly used for gaiety and as an aphrodisiac.

It is used in the State in biscuit or cake form. Nothing is mixed with it when manufactured for Excise use. Its composition is of normal character and it is purified and freed from adulterants before manufacture into excise cakes at the State Factory. Its physiological effect is temporary inebriation and stimulation. There is an idea that in well-regulated doses and after 55 years it acts as a tonic and keeps off minor daily ailments. Chronic sufferers from cold, catarrh and dysentery are said to gain some relief from it.

The use of opium is already on the wane. All whom I consulted told me that its use was daily going down, it was rarely

given to children to lull them to sleep and it was very rarely used by adults. The belief that it is beneficial in old age and acts as a nervine tonic is also fading fast. It will thus be best to let the use of opium die a natural death. No artificial agencies such as penal legislation or prohibitive price need be employed. Gradual enhancement of price and duty, the spread of education and enlightenment and the high example of sister civilized nations will contribute to its extinction in due course.

There are no stocks of opium in the State except with the Government itself. They are absolutely under control and there is not the least possibility of a leakage. At present we have 560 maunds of old and new opium of the market value of about 2½ lakhs. It would last for some three years for our excise use.

There have been complaints of certain provincial Governments in British India about opium smuggling from Indian States which touched them. This is more or less true. It cannot be gainsaid that some of our opium finds its way to the British provinces on our border and Calcutta and Bombay, the two great emporium of illicit opium trade. The reason is not far to find. The difference in prices at which it is sold in the State and in British India and the ease with which the drug can be secreted and carried account for it. I believe that no laws, however, strict, no special precautions, however severe, can stop opium smuggling altogether until the profits which this beastly trade offers are restricted by, the equalization of prices in British and Statal India. But it is a matter of opinion whether the prices are too high in British India or too low in some States but the fact is there and this difference will always be a standing invitation to smugglers until a definite policy regarding prices is agreed upon by all the administrations concerned. All that could be done has been done by the Indore Government to combat smuggling. We have raised the supply price of opium considerably, are reducing the limit of the private possession of opium from 5 to 3 tolas, have prohibited the maintenance of depots for the storage of opium in pargana centres as they constitute a veritable source of leakage, strictly insist on the maintenance of regular accounts on the opium shops and their periodical examination by the preventive staff and are devoting special attention to the movements and the dealings of suspected smugglers.

As to internal consumption of opium in the State, from the figures available it appears, that, during the last 10 years, the tendency has been one of steady decline keeping in view the fact that the absence of control in previous years made the recorded figures of consumption not a true index of the actual opium requirements of the people for these years. The fact that the incidence of consumption has come down from 10 to 6 Mashas per head of population during the last ten years proves to demonstration that opium eating even in moderation, for in Indore the abuse of opium is never heard of, is on the decline.

The Jagirdars in whose villages the cultivation of poppy is allowed and whom I have consulted, and there are many with whom I met and talked, entirely agree with the opinions I have recorded I have not yet come across any tenant and Jagirdar who could suggest how the loss resulting from the abolition of poppy cultivation was to be compensated for or signified his willingness to bear his share of the loss.

given to children to lull them to sleep and it was very rarely used by adults. The belief that it is beneficial in old age and acts as a nervine tonic is also fading fast. It will thus be best to let the use of opium die a natural death. No artificial agencies such as penal legislation or prohibitive price need be employed. Gradual enhancement of price and duty, the spread of education and enlightenment and the high example of sister civilized nations will contribute to its extinction in due course.

There are no stocks of opium in the State except with the Government itself. They are absolutely under control and there is not the least possibility of a leakage. At present we have 560 maunds of old and new opium of the market value of about 2½ lakhs. It would last for some three years for our excise use.

There have been complaints of certain provincial Governments in British India about opium smuggling from Indian States which touched them. This is more or less true. It cannot be gainsaid that some of our opium finds its way to the British provinces on our border and Calcutta and Bombay, the two great emporium of illicit opium trade. The reason is not far to find. The difference in prices at which it is sold in the State and in British India and the ease with which the drug can be secreted and carried account for it. I believe that no laws, however, strict, no special precautions, however severe, can stop opium smuggling altogether until the profits which this beastly trade offers are restricted by the equalization of prices in British and Statal India. But it is a matter of opinion whether the prices are too high in British India or too low in some States but the fact is there and this difference will always be a standing invitation to smugglers until a definite policy regarding prices is agreed upon by all the administrations concerned. All that could be done has been done by the Indore Government to combat smuggling. We have raised the supply price of opium considerably, are reducing the limit of the private possession of opium from 5 to 3 tolas, have prohibited the maintenance of depots for the storage of opium in pargana centres as they constitute a veritable source of leakage, strictly insist on the maintenance of regular accounts on the opium shops and their periodical examination by the preventive staff and are devoting special attention to the movements and the dealings of suspected smugglers.

As to internal consumption of opium in the State, from the figures available it appears, that, during the last 10 years, the tendency has been one of steady decline keeping in view the fact that the absence of control in previous years made the recorded figures of consumption not a true index of the actual opium requirements of the people for these years. The fact that the incidence of consumption has come down from 10 to 6 Mashas per head of population during the last ten years proves to demonstration that opium eating even in moderation, for in Indore the abuse of opium is never heard of, is on the decline.

STATEMENT 2.

Year.	Area actually sown	Crude Opium received from the cultivators.			Opium supplied to the Government of India			Price received from the Government of India		
1	2	3			4			5		
		Mds.	Srs	Chh	Mds	Srs	Chh	Rs.	a.	p
1916-17	No cultivation	No cultivation			...			...		
1917-18	4,894 34	597	29	12	496	6	2	1,86,997	10	8
1918-19	3,018 90	723	25	13	498	3	10	2,06,917	12	9
1919-20	4,967 90	665	11	10	432	18	10	2,46,511	4	4
1920-21	8,562·82	2,119	23	9	2,101	27	7	12,21,435	7	2
1921-22	9,131 04	1,772	5	7	1719	26	8	10,26,846	6	11
1922-23	14,319 10	3,772	5	12	3,755	17	3	22,38,059	7	7
1923-24	7,565 78	1,723	25	2	1,701	37	14	10,35,407	0	10
1924-25	5,261·50	1,432	15	0	1,118	32	15	7,00,530	8	2
1925-26	3,347 76	596	39	13	577	35	15	3,18,341	9	8
1926-27	3,775 61	1,172	27	8	849	25	13	3,50,436	0	4

Rai Sahib Hira Chand Kothari.

4½ maunds poppy seed in one acre—and fetches 30. Poppy seed has a ready market and is sold for making oil and medicinal purposes.

Land formerly used for opium cultivation in village Piplia, Manasa and Narayangarh and now used for wheat cultivation. During the currency of settlement no rent can be reduced.

Cultivators have suffered in such areas but they are paying rent though in some cases there are arrears. Rampura-Bhanpura is the worst affected district Rent has been reduced in this district. Formerly the highest rent was Rs 35 per bigha in 1901 or 42 per acre and now it is Rs. 22 per acre.

In Juar land rent was Rs. 3 per acre and it is the same now.

In Narayangarh and Kukdeshwar 22 seers per acre was the highest produce of opium—and 4 seers the lowest. Chillies cannot be grown. It is considered unlucky to grow chillies. There is a similar prejudice against tobacco. Bhussa is used for cattle feeding. Very seldom it is sold. In Indore district Bhusa is sold. I don't know the price.

STATEMENT 1.

Statement showing the total payments made to the cultivators on account of Opium price from 1920-21 to 1926-27, Holkar State, Indore.

Serial No.	Name of Parganas.	Total payments made to the opium cultivators during season 1920-21.	Total payments made to the opium cultivators during 1921-22.	Total payments made to the opium cultivators during 1922-23.	Total payments made to the opium cultivators during 1923-24.	Total payments made to the opium cultivators during 1924-25.	Total payments made to the opium cultivators during season 1925-26.	Total payments made to the opium cultivators during 1926-27.
1	2	3	4	5	6	7	8	9
		Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
1	Rampura	1,29,926 2 6	87,993 0 0	1,90,479 5 6	96,750 10 3	80,964 6 0	32,377 4 9	54,148 11 3
2	Manasa	3,22,498 14 6	3,10,607 1 9	5,19,785 15 6	2,89,564 4 0	2,40,814 1 0	1,29,522 13 3	1,85,830 11 0
3	Bhanpura	60,367 9 3	47,179 14 6	1,32,208 3 6	65,743 9 0	37,753 4 0	......	......
4	Garoth	3,22,161 7 0	1,60,828 3 9	4,97,469 13 3	2,63,813 12 0	1,64,217 5 0	81,354 14 3	1,07,922 10 3
5	Sunnel	56,749 2 9	81,077 3 0	1,91,338 2 6	75,159 4 3	48,032 6 0	......	......
6	Zirapur	59,282 0 3	1,00,490 15 6	2,08,934 4 3	60,718 6 6	......	......	......
7	Mahidpur	19,706 6 6	31,404 1 0	42,692 12 3	......	......	......	......
8	Tarana	10,060 13 9	18,467 15 0	9,617 5 0	......	......	......	......
	TOTAL	9,80,752 8 6	8,38,048 6 6	17,94,925 13 9	8,52,049 14 0	5,71,811 6 0	2,43,255 0 3	3,47,902 0 6

STATEMENT 2

Year.	Area actually sown	Crude Opium received from the cultivators.			Opium supplied to the Government of India			Price received from the Government of India		
1	2	3			4			5		
		Mds.	Srs	Chh	Mds	Srs	Chh	Rs.	a	p
1916 17	No cultivation	No cultivation			..			..		
1917-18	4,894 34	597	29	12	496	6	2	1,86,997	10	8
1918-19	3,018 90	723	25	13	498	3	10	2,06,917	12	9
1919-20	4,967 90	665	11	10	432	18	10	2,46,511	4	4
1920 21	8,562 82	2,119	23	9	2,101	27	7	12,21,435	7	2
1921-22	9,131 04	1,772	6	7	1719	26	8	10,26,846	6	11
1922 23	14,319 40	3,772	5	12	3,755	17	3	22,38,059	7	7
1923 24	7,565 78	1,723	25	2	1,705	37	14	10,35,407	0	10
1924-25	5,261·80	1,432	15	0	1,418	32	15	7,09,530	8	2
1925-26	3,347 76	596	39	13	577	35	15	3,18,341	9	8
1926-27	3,775 61	1,172	27	8	849	25	13	3,50,436	0	4

Rai Sahib Hira Chand Kothari.

4½ maunds poppy seed in one acre—and fetches 30. Poppy seed has a ready market and is sold for making oil and medicinal purposes.

Land formerly used for opium cultivation in village Piplia, Manasa and Narayangarh and now used for wheat cultivation. During the currency of settlement no rent can be reduced.

Cultivators have suffered in such areas but they are paying rent though in some cases there are arrears. Rampura-Bhanpura is the worst affected district. Rent has been reduced in this district. Formerly the highest rent was Rs 35 per bigha in 1901 or 42 per acre and now it is Rs. 22 per acre.

In Juat land rent was Rs. 3 per acre and it is the same now.

In Narayangarh and Kukdeshwar 22 seers per acre was the highest produce of opium—and 4 seers the lowest Chillies cannot be grown. It is considered unlucky to grow chillies There is a similar prejudice against tobacco. Bhussa is used for cattle feeding. Very seldom it is sold. In Indore district Bhusa is sold. I don't know the price.

Darbar will lose about Rs. 70 per cent. in revenue for opium land if its cultivation is discontinued.

In 1905 I tried several crops when I was Subha but they proved less productive than the poppy.

Chillies are not considered unauspicious in Indore District—ginger and haldi were grown 25 years ago but they are now not cultivated. Haldi requires more labour than poppy. The whole thing that people are used to grow opium in that District and also soil is more suited to poppy cultivation.

Ranjit Singh Thakur Rajput, Patel of Narayangarh.

In my village poppy is still cultivated. We also grow wheat and chillies. In one acre we get about 4 or 5 maunds of chillies and it is sold at Rs. 10 per maund. Sugar-cane is also grown. First year we get good crop but in subsequent years we get some. Sugar-cane is not grown with poppy in my village. Haldi is not grown. It was tried once but proved failure. Ground-nuts, chillies, potatoes and garlic would be grown if good seeds are supplied but garlic and onions don't pay well. Wooden mills are used for making Gur. No iron mills are used in my village. Sugar-cane is not very paying as the seed is very costly, *i.e.*, Rs. 60 per acre. Sugar cultivation is not popular. Price of Gur is Rs. 3 or Rs. 4 per maund this year as it is generally of dark colour.

Sham Sundar Das, Amin (Tehsildar) of Kasrawal.

I was in Rampura-Bhanpura district for a long time and have just been transferred. I was a year and half.

Cultivators said they did not find any suitable crop in place of opium.

Chillies do not grow in that district. Only Malis cultivate chillies. I do not know of any prejudice against cultivation of chillies.

Mr. Tillu, Inspecting Settlement Officer.

In places where poppy cultivation has been stopped cultivators have suffered. I was Subha in Rampura-Bhanpura district and there opium cultivation has been much reduced. In some cases cultivators have taken to double dry crops such as maize in Khariff and gram in Rabi.

In that area there is no demand for vegetable or chillies. It is not supposed to be auspicious. Very little sugar-cane. There is some superstition about tobacco also. There are special castes who grow tobacco but they do not exist in Rampura district. Cotton is not suitable for that district.

I cannot explain why Dhawia and garlic are not grown. There is not much sale for Dhania.

Lodhkheri—is 25 miles from nearest railway station. About 12 maunds per acre is the wheat production. There are number of crops which will grow but opium is very popular.

In some places where there was plenty of water and exceptionally good soil opium and sugar-cane were cultivated together.

Rs. 20 per acre has been the assessed rate in Lodhkheri since 1905. In the currency of settlement rent could not be changed. There are lots of arrears in Rampura district but I cannot give figures just now. If cultivators are given instruction and supplied seed they would grow ground-nuts. There was no prejudice against it.

Bhairon Mali, Patel of Lodhkheri.

Opium cultivation has been stopped in my village since two years. Wheat is grown now in the opium land. Chillies are grown but there is not good market. 4 or 5 maunds chillies produced in one acre and give about Rs. 25. Rent for such is Rs. 15 to Rs. 18 per acre. In our village the outturn of cotton is only 3 or 4 maunds—as soil is bad.

Bijai Singh, Naib Tehsildar, Narayangarh in Rampura-Bhanpura District.

Opium is cultivated in my circle. Rent for land used for opium cultivation is from Rs. 10 to Rs. 21 per acre and it is collected easily. There are arrears in the case of those who do not grow opium now. There is no other crop except wheat, which can be grown in poppy land. Average produce is 15 or 16 maunds per acre and income about Rs. 60 or Rs. 62. It is sold at 8 seers per rupee. Bhusa is not generally used as fodder but when scarcity of grass it is used. Bhusa is not sold as a rule. Cotton is also grown in my circle and yields about 8 maunds per acre and gives Rs. 70. Average price of cotton is Rs. 8 per maund. When cultivators want to improve the soil they give *Son.* 12 maunds per acre is the average outturn of ground-nut. Lodhkheri and Namli are the worst villages—which have suffered.

REPORT FOR THE JAORA STATE.

Pandit AMARNATH KATJU, B.Sc., LL.B., Revenue Secretary, is the Committee Member representing the State.

A statement regarding the cultivation of opium in the Jaora State in reply to the Terms of Reference has been received from the Chief Secretary to the Government of His Highness the Nawab of Jaora. This has been discussed, and the following unanimous conclusions are recorded by the Committee:—

I.—Old stocks of Opium.

The present stocks of old opium in the State amount to 339 maunds 30 seers, out of which 294 maunds 16 seers are in the possession of licensed wholesale dealers and 45 maunds 14 seers are the property of the Darbar in the State warehouse. Both the Darbar and the merchants are anxious that the stocks in the merchants' hands should be bought up, and the Darbar is prepared as soon as this has been done to cancel all wholesale dealers' licenses and to restrict all dealings in the future to State agency.

The annual consumption of opium in the State amounts on the average of the past 5 years to 7 maunds 39 seers or roughly 8 maunds equivalent to a consumption of 37·3 seers per 10,000 of population. The stocks in possession of the Darbar are thus sufficient for 5½ years' consumption at the present rate. Moreover, so long as the Darbar's agreement with the Government of India to produce opium remains in force there will be fresh additions to the stocks in the State godown on account of the opium rejected as unsuitable for Ghazipur but considered suitable for internal consumption in the State. It is, consequently, unlikely that the State will have to take any special steps to replenish its stocks of opium for internal consumption for a good many years.

The Darbar is thus anxious to facilitate in any way possible any scheme that will assist the stocks in the hands of its licensed wholesale dealers to find a market, but is not likely for some years to come to be able to give practical assistance to such a scheme by itself purchasing hard opium for internal consumption in the State.

II.—Production of Opium in the State.

The present production is confined to the opium required for delivery to the Government of India, amounting under the present agreement to 750 maunds. On this opium the Darbar obtains a revenue of Rs. 3 for every seer delivered, payment being made to the cultivators according to the classification recorded at the Ghazipur Factory at a rate less by Rs. 3 per seer than the rate at which payment is made by Government. Consequently on a full delivery of 750 maunds the Darbar's profit is Rs. 90,000.

No additional profit is derived in the shape of land revenue. It so happened that a Survey Settlement was carried out in the year 1912-13, at which time the cultivation of the poppy had been discontinued owing to the abolition of the China trade and had not been revived on account of the subsequent agreement to produce opium for Government. Consequently the Settlement of that date took no account of the profits of poppy cultivation in assessing the ordinary rates of rent on irrigated lands, but provided that in the event of any land being cultivated with poppy a special additional assessment varying from Rs. 5 to Rs. 6 per bigha should be levied. The Darbar, however, does not levy this additional poppy rate on lands which were subsequently brought under poppy cultivation for the purpose of the agreement with Government. Instead, the Darbar takes from the cultivators Rs. 3 for every seer of opium delivered and considers that Re. 1 per seer out of this is equivalent to the extra poppy cess. (Out of the revenue of Rs. 3 per seer thus realised, Rs. 2 is credited to the profit of production of opium for Government and Re. 1 is credited to land revenue).

To this profit of Rs. 90,000 must be added the customs duty realised on the export of poppy seed and poppy oil. This amounts on the average of the past five years to Rs. 1,900 annually.

Against the gross profit of Rs. 91,900, as stated above, must be set the expenditure incurred by the Darbar, at three annas per seer of opium delivered, on the cost of the Joint Opium Officer's establishment. This amounts in a year of the full delivery of 750 maunds to Rs. 5,625.

It is probable also that the prohibition of cultivation would be followed by some increase in the sales of opium in the State shops. On the present consumption of 8 maunds the State's profit by duty is Rs. 25 per seer or Rs. 8,000 altogether. If consumption increased by 25 per cent., from 8 to 10 maunds, then the extra revenue from duty on opium would amount to Rs 2,000. Under the head of license fee the State realises Rs. 5,000 from a general contract for the sale of opium, charas, ganja and bhang. The contractor's profit on each of these commodities is represented by the difference between the cost price at which he purchases the article from the State godown or from elsewhere and the price at which he sells it to the public. According to the figures supplied to the Committee the profit on opium alone is about Rs. 1,600 and this may be taken to represent approximately the proportion of the license fee realisations due to opium. If an increase of 25 per cent. in opium sales were effected and produced a similar increase in opium license fee the Darbar's extra revenue from license fee would be Rs. 400.

The net loss to the Darbar, after deducting expenditure on establishment and possible increases in opium duty and license fee realisations due to discontinuance of opium production, is thus found to be Rs. 83,875.

Of the total area cultivated with poppy five per cent. is allotted to guaranteed and five per cent. to unguaranteed estates. It appears, however, that the Jagirdars derive no extra land revenue from the cultivation in the estates.

The revenue of the State from all sources averaged, in the last five years, Rs. 12,00,000 annually. The loss due to the discontinuance of poppy cultivation, calculated above at Rs. 83,875, represents 7 per cent. of the total revenue of the State.

In addition to the direct loss to State revenues, there would, of course, be a loss of profit to the cultivators, at all events until an equally paying substitute crop could be discovered and brought into general use. The prosperity of the cultivators is a matter of the deepest concern to the Darbar, and any reduction in the general prosperity must necessarily affect the State revenues indirectly in a variety of ways. The Committee however is not able, on the material at present available, to reach any conclusions on this head and reserves the point for consideration at a later date.

III.—Final arrangements for supply of opium for internal consumption in the States of Central India and Rajputana.

The question has been discussed whether, in the event of opium production for the Government of India being discontinued, the Jaora Darbar would be willing, after the stocks of old opium in Central India and Rajputana have been absorbed, to obtain from Ghazipur the opium required for internal consumption in the State. In this connection the Committee understands that the Darbar reserves to itself for the present its inherent right to produce within the State the opium required for internal consumption. The Darbar in fact submits the claim, as appears from the Chief Secretary's Statement, that the producing States of Central India and Rajputana should continue to be given an equitable share in supplying the demand for excise opium of India as a whole.

IV.—The possibility of enhancing taxation upon opium and the probable financial affect of this policy.

The Committee understands that the Darbar fully agrees with the policy of maximum revenue from minimum consumption. The present retail selling price is 8 annas per tola, the price having been raised very recently from Rs. 30 to Rs. 40 per seer. The present annual consumption is 8 maunds (or 37·3 seers per 10,000 of population), bringing in a revenue to the Darbar from retail sale of Rs. 8,000 from duty and Rs. 1,600 from license fee. No enhancement of the sale price is possible except by gradual stages, and the co-operation of neighbouring States is essential. Assuming these conditions to be fulfilled, the sale price might perhaps be increased ultimately to Re. 1-4-0 per tola or Rs. 100 per seer, thus increasing the Darbar's profit from duty realisations to perhaps Rs. 75 per seer. Consumption, however, would decrease

and if it fell to not less than 20 seers per 10,000 of the population in consequence of the increased cost of opium, the annual sales would then be about 4 maunds 12 seers, bringing in a revenue from duty of Rs. 12,900. Assuming the license fee realisations to remain as at present, the total increase thus effected in the present revenue from excise opium would be Rs. 4,900.

J. A. POPE, *President.*
G. S. HENDERSON, } *Members.*
AZIZUDDIN AHMED, }
AMAR NATH KATJU, }

Dated Jaora, the 16th December 1927.

Accompaniments to Jaora State Report.

Statement regarding the cultivation of opium in the Jaora State in reply to the terms of reference for the Indian States Opium Committee.

I *The General Situation*—

(1) AGRICULTURE.

(*a*) *The extent to which poppy is cultivated in each State.*

(*a*) Poppy is cultivated in the Jaora State territory from ancient times. The average figure for area under poppy cultivation at the time of Opium Commission of 1894 was 33,500 bighas.

Below are given the figures of area for ten years prior to 1913:—

Samvat year	Bigha	Biswa	Biswansi.
1959*	15,009	8	1
1960	17,839	12	0
1961	7,518	5	0
1962	6,057	11	15
1963	17,978	6	19
1964	14,017	12	17
1965	10,804	19	19
1966	9,539	8	16
1967	13,504	11	18
1968	4,718	0	0 (nearly).

The present area is determined in proportion to the quantity of the Contract entered into with the Government of India for the

* =1902-03.

produce of Opium. The figures of such area from Samvat 1974 to Samvat 1983 are as under:—

Samvat year	Bighas	Biswas.
1974[x]	1,949	11
1975	...	...
1976	1,584	12
1977	3,181	12
1978	3,884	10
1979	8,188	1
1980	7,132	6
1981	6,674	3
1982	3,859	6
1983	4,463	8

Thus the correct figure of area that can be brought under poppy cultivation may be ascertained by striking the average from the figures of the past years. It can be said that if the cultivation would be unrestricted about 15,000 bighas of land would be brought under poppy cultivation.

According to the provisions of the Agreement with the Government of India, opium is cultivated only in the Perganas (Districts) of Malhargarh, Sanjit, Jaora and Baroda. The cultivators of the Tal Pergana are anxious for the grant of permission to cultivate opium and have several times applied to the Darbar for it.

(b) *The quantity and nature of the lands on which it is cultivated and the amount of irrigation required and the nature of the arrangements for such irrigation.*

(b) The lands held by the Jaora Darbar are famous in Malwa for the cultivation of opium, *vide* first paragraph in Chapter II of the Jaora State Gazetteer. In the recent Settlement the Barani and Chahi lands are divided into several classes but this classification is made irrespective of the crops suitability. In the olden days, however, the lands were classified according to their suitability for crops. The following may be taken as the classification of lands in olden times:—

Mal, Rankar, Dhan-Pit and Adan.

(1) Mal lands were those which are now called Barani. These lands yield only one crop.

(2) Rankar were the lands in which, due to presence of manure, Macca or maize was the ordinary crop grown. Now these lands are generally called Gorma and Bara.

(3) Dhan-Pit were lands under irrigation utilised only to grow food-grains, *e.g.*, wheat.

(4) Adan lands were specially meant for the cultivation of opium.

---

[x] =1917-18.

A few intelligent cultivators were called in the office and asked about the quality and nature of land suitable for poppy Their reply (in which they all agreed) was that black and grey soil with a good quantity of manure mixed up with them were specifically suitable for the poppy cultivation If opium is sown in the month of Katak or November and if sown in the month of Aghan or December it requires seven and eight or nine waterings. The cultivators generally have pairs of bullocks and water lifting moats A kachcha or earthen well is capable of irrigating land A poor and indigent cultivator having no pecuniary capital to support him is not in a position to irrigate any land

(c) The liability of the yield of the crop to fluctuate owing to seasonal conditions

(c) All cultivation depends wholly on seasonal conditions. Their effect is not only limited to the opium crop To cite an instance, paucity of rain damages the Jowar crop, while its excess will do harm to cotton A slight Pala or frost would affect the cotton and gram crops, similarly excessive cold or severe frost is sure to leave its effect on the opium crop All crops more or less suffer from abnormal seasonal conditions

(d) The advantages or disadvantages of cultivating poppy as compared with other crops from the point of view of the cultivator

(d) The cultivators were called in and asked Their statement forms an adequate reply to this query They say that from their point of view there is no other commodity of such profit to them as opium Besides the annual immense profit they obtain from the cultivation of opium the other great advantages are —

(i) It maintains the fertility of the land

(ii) The wells are being kept in perfect working order and remain full of water So they have not to be much afraid of insufficient rainfall On such occasion they would produce something with these wells and maintain their family and cattle If the wells were out of use and lay desolate they would themselves perish from starvation and their cattle would also die Such cases occur often in Malwa If they were to grow maithi seed or wheat as a substitute for opium they do not get so much profits Moreover these crops deteriorate and impoverish the Adan land a good deal

For instance last year one Nawal Patel of Sohangarh had grown potatoes He spent Rs 125 for seed, etc The produce was not satisfactory, and he earned an income of Rs 60 only, that is to say he suffered a loss of Rs 65

Sugar-cane seed is very costly The field requires lot of manure Only one crop is reaped during the year The irriga-

tion of hot weather, which the sugar-cane crop needs, would not allow the cultivators to attend to any other work of agriculture and is a great hardship on their cattle. In spite of this they do not get any profit—cannot even recover the cost.

If a cultivator were to grow opium, cotton, sugar-cane, chillies and wheat, each in one bigha (⅗rd of an acre) of irrigated land, his expense and profit will be as under:—These particulars will show the real situation.

(1) Opium.

	Rs.	A.	P.
Earnings—			
Opium 6 seers (average of Rs. 7-8 per seer.)	45	0	0
Seed 3 maunds	24	0	0
Garlic	10	0	0
Maize, etc.	28	0	0
Total	107	0	0
Expense—			
Seed	1	0	0
Weeding	10	0	0
Lancing and collecting	16	0	0
Preparation of land, etc.	7	0	0
Watering (each watering Rs. 3)	21	0	0
Manure	10	0	0
*State rent	11	0	0
Maize expenses	6	0	0
Total	81	0	0
Saving or surplus	26	0	0

* Note.—Adan Alaf average rate has been taken.

(2) Cotton.

	Rs.	A.	P.
Earnings—			
Cotton 6 maunds	60	0	0
Expense—			
Seed	0	8	0
Weeding	10	0	0
Preparation of land	4	0	0
Picking	6	0	0
Manure	3	8	0
Watering (2 waterings at Rs. 3 each)	6	0	0
State Export Tax	1	8	0
State land rent	11	0	0
Cartage	1	8	0
Total	44	0	0
Saving or surplus	16	0	0

(3) SUGAR-CANE, BAR).

	Rs.	A.	P.
Earnings—			
Molasses 18 maunds at Rs. 6 per maund	108	0	0
Expense—			
Seed	30	0	0
Manure	10	0	0
Remuneration of waterings (12 waterings each Rs. 3)	36	0	0
Preparation of land	6	0	0
Fencing	5	0	0
Digging	1	8	0
Preparing molasses	20	8	0
State land rent	11	0	0
TOTAL	120	0	0
Loss or deficit	12	0	0

The cultivators have stated that sometimes they give leaves of sugar-cane plants to their cattle to eat and thus save the expenses of purchasing fodder.

(4) CHILLIES.

	Rs.	A.	P.
Produce 7½ maunds	100	0	0
Expense—			
Seed	5	0	0
Sowing expenses	10	0	0
Weeding, etc.	25	0	0
Watering	9	0	0
Plucking and gathering	5	0	0
State land rent	11	0	0
Drying	2	0	0
Manure	10	0	0
Preparation of land	6	0	0
Export duty	6	0	0
TOTAL	89	0	0
Saving or surplus	11	0	0

(5) WHEAT.

	Rs.	A.	P.
Produce 12 maunds	60	0	0
Expense—			
Seed (for one year)	2	12	0
Watering (6 waterings)	18	0	0
Land rent	11	0	0
Harvesting	2	4	0
Clearing and thrashing	3	0	0
Preparation of land	4	12	0
Export duty approximately	2	4	0
TOTAL	44	0	0
Saving or surplus	16	0	0

The above produce will be for one year. As wheat absorbs totally the manure of the field the yield of the following year will not be more than one Mani or 9 maunds.

Thus it will appear that in case the poppy cultivation be abandoned and wheat may be sown instead for an area of 6,000 bighas of land the cultivators suffer a loss of Rs. 60,000 annually.

But the next year the loss would amount to one lac as the produce would not be the same.

(2) FINANCIAL.

(i) *The average revenue derived by the State from opium under the following heads.*

The current settlement is in force in the Jaora State from the year 1912-13. It was introduced at a time when poppy cultivation was temporarily prohibited in the State territory due to the stoppage of the China Opium Trade. The Settlement Officer therefore assessed the 'Chahi' lands at comparatively lower rates and ruled that if poppy cultivation be ever revived within the State the Darbar would be within their rights to recover from the cultivators Rs. 4 to Rs. 6 per bigha over and above the current rates for cultivating opium. In 1912-13, the Chahi area throughout the State was 20,000 bighas. It is worthy of notice that the State suffered an yearly loss of about Rs. 1,00,000 purely in consequence of the stoppage of poppy cultivation till 1916, and since then has been suffering great loss till now.

If the cultivation of opium be totally prohibited it will not be possible to increase the rate fixed for Chahi lands even in the next Settlement. Perhaps they may even have to be reduced. In such cases there is nothing but loss in store for the Darbar.

(a) *Land Revenue, distinguishing revenue from land cultivated with poppy for supply to the Government of India, that from land cultivated with poppy for supply to other States and that from land cultivated with opium for internal consumption.*

(a) Six thousand bighas of land are cultivated with poppy. The whole of the produce is delivered to the Government. The rental of Adan lands varies but taking the average of Rs. 16 per bigha Rs. 96,000 are recovered as land revenue.

Opium is not grown for other States or for local requirements.

(b) *Revenue other than land revenue derived from internal consumption.*

(b) The contract of selling opium for local consumption is given to one person, in addition to Rs. 5,000 received from the contractor for selling opium and hemp drugs, a sum of about Rs. 9,000 per annum is recovered from him on account of duty on opium. The required quantity of opium is purchased by the State for local

requirements at the rate of Rs. 6 or Rs. 7 per seer every year. It is then manufactured into balls and kept into the State Warehouse. The opium is then sold to the State contractor at the rate of Rs. 35 per seer which gives a profit of Rs. 25 leaving Rs. 4 per seer for dryage, etc. Accordingly the yearly profit amounts to Rs. 9,000, the yearly consumption being approximately 400 seers.

(c) *Revenue other than land revenue derived from export to other States.*

(c) Only manufactured opium is exported to other States by the traders. The quantity of such export is not fixed. The figure of income from this source for last few years are given below. Almost everywhere in the neighbouring States of Malwa opium is cultivated.

	Rs.	A.	P.
Samvat 1980	2,562	6	3
Samvat 1981	1,715	0	0
Samvat 1982	1,232	12	9
Samvat 1983	2,959	4	0

(d) *Revenue other than land revenue derived from sale to the Government of India.*

(d) The net revenue accruing from the sale of opium to the Government during the past years is as follows:—

	Rs.	A.	P.
Samvat 1977	67,115	8	8
Samvat 1978	1,20,053	13	0
Samvat 1979	1,72,479	12	7
Samvat 1980	1,12,020	13	5
Samvat 1981	1,36,771	0	7
Samvat 1982	49,948	4	0
Samvat 1983	88,105	4	4

The Darbar's profit varies in proportion to the quantity of opium produced and handed over to the Government of India. The Darbar's profit being Rs. 2 per seer.

(e) *Any other form of revenue.*

(e) Ordinarily garlic and coriander are grown in the lands cultivated with poppy. Opium seed is also gathered. When these articles are exported the Darbar collect an export duty on them. The following income is derived from such exports:—

	Rs	A.	P.
Samvat 1979	3,800	0	0
Samvat 1980	3,500	0	0
Samvat 1981	3,350	0	0
Samvat 1982	3,400	0	0
Samvat 1983	3,000	0	0

(ii) The proportion that the total revenue of all kinds from opium bears to the total revenue of the State.

(ii) The revenue from opium bears to the total revenue of the State the following proportion during the last four years:—

	Rs.	A.	P.
	per cent.		
Samvat 1980	16	8	0
Samvat 1981	16	14	0
Samvat 1982	11	10	0
Samvat 1983	14	5	0

As these figures relate to a period in which opium is cultivated in a very limited area, they do not really show the accurate proportion. The Statement made by His late Highness before the Opium Commission in 1894 is deserving of perusal. His late Highness stating that the loss of the Darbar cultivators and traders amounted to Rs. 12,38,000, had expressed that the revenue from opium was 50 per cent. of the total revenue of the State.

(iii) Expenditure upon the regulation, and control of the cultivation, manufacture, and distribution of opium and the nature of the arrangements for such control.

(iii) No expenses are incurred in this connection. The present staff of patwaris, Girdawar Qanugos, etc., have to do all this work. Whether or not opium is cultivated this Staff is indispensable for the Revenue Department. The Revenue Staff assisted by the village headman or the Police undertakes the work of supervision from beginning to end. The Rules enforced by the Darbar for the cultivation of Opium may be seen.

(iv) Loss of revenue to the State due to illicit practices in areas where opium is cultivated.

(iv) Under this head the Darbar have suffered a loss of Rs. 1,000 per annum from the time the cultivation of poppy is taken in hand.

(v) Loss of revenue due to smuggling of opium from outside the State.

(v) There is no smuggling of opium in the Darbar territory. Smuggling would be possible only in that case when opium is not available.

(vi) The present cost and selling price of opium, the possibility of gradually raising the latter and the effect upon the State's finances of such a policy.

(vi) In the present circumstances crude opium is taken from the cultivators at Rs. 6 or Rs. 7 per seer and delivered to the contractor for Rs. 35 per seer. The minimum selling price is Rs. 40.

Till lately the selling price of opium in the Darbar territory was Rs. 30 per seer. Two months ago the price is increased by Rs. 10. Any large sudden increase in the selling price of opium is bound to reduce consumption, consequently the amount of profit to the State. The British Provinces and the States of Malwa whose population be small and poor do not stand on an equal footing in this respect. Hence the policy of "maximum income with minimum consumption" found so successful in British India is likely to affect the finances of the State adversely.

(vii) The present sources of supply and the possibility of meeting the demand in the first instance from stocks held in the State under consideration taken as a whole, and ultimately from Ghazipur, with special reference to the financial results of such a policy so far as these do not fall under any of the heads mentioned above.

(vii) At present the State itself supplies opium. The supply can be made also from the existing stocks for local demand. It is premature to say anything now about the pecuniary profit and loss of the State in case opium is purchased from the Ghazipur Factory. This question can be determined when the following information is forthcoming:—

(1) The Ghazipur Factory selling rates;

(2) The prevailing selling price of opium in the State.

(viii) Effect of discontinuance of cultivation of poppy on States that cultivate only for the Government of India and what steps if any can be taken to meet the same.

(viii) For the present certain States in Central India and Rajputana including Jaora have, from 1916, been cultivating opium for the requirements of the Government of India. All produce is delivered to the Government. If poppy cultivation were discontinued in these States it will result in a heavy financial loss to them. Apparently there are no such steps to take as would go to indemnify this loss.

II. *Consumption in the State.—(i) The manner in which opium is used, the purposes for and occasion on which it is used and the extent to which it is used and, in particular to which it is administered to children.*

(i) Mostly opium in manufactured form without any admixture is eaten. It is taken before food. Opium is also used as a preventive in ailments caused by chil and in some complaints of Diarrhœa. Opium is also dissolved in water and sipped. This preparation is called "Kasumba". It is generally used among Rajputs on the occasion of marriages.

Opium, whether used in one or other of the three ways mentioned above is an intoxicant and its consumers do not use it in a uniform

quantity. Some eat only a little of it while others get addicted to take it in large quantities and possess a longing to take it again at the fixed time. Formerly in Malwa it was customary to give opium to children of tender age. But now this practice is abandoned to a great extent. To begin with opium is administered to children as much as poppy-seed. With the growth of the child the quantity of opium is also increased, and opium is given every morning and evening in the quantity of 'mung' seed. When the child becomes 4 or 5 years of age the use of opium for him is discontinued. Women born and residing in Malwa consider the use of opium for children good and beneficial. The reason is that the children under its influence sleep well and cry little. Generally the labouring classes administer opium to their children; because the children being intoxicated with opium do not give much trouble.

(ii) The forms (Ball, Biscuit, etc.,) in which opium is used in the State.

(*ii*) Formerly balls of opium were prepared in the Jaora State. Opium is still manufactured in balls in the State Kotha. It is not prepared in the form of biscuits, etc. The old stocks held by the merchants are all in the form of ball-opium. Due to breakage of balls there will be found some pieces and powder of opium in small quantities. The shop-keepers break the balls and then sell them to consumers.

(iii) The chemical composition of opium when prepared for consumption in the manner prevalent in the State and its physiological effects upon the consumers when so consumed.

(*iii*) Crude opium called Chik is not used. But it is mixed up and manufactured in the form of balls. These balls are left to dry for two or three years then they become fit for use. 8 to 10 years old opium is considered more useful than two or more years old opium. The consumption of opium as an indulgence in other ways than by smoking the Government of India have no desire to suppress, since they are not convinced that such moderate use is harmful. Physiologically opium if taken in large quantities produces sugar and its use is a sort of intoxication. When people become addicted to its use in one way or the other they find it very hard to give up such habit.

(iv) The possibility and desirability of effecting a substantial reduction in the amount of opium consumed in the State, the means (increase of selling price or otherwise) by which this could be effected and the financial or other obstacles to such reduction in so far as these have not been dealt with under any of the heads above.

(*iv*) The opium habit is getting less and less every year. There is no opium smoking in the State: and even the practice of indulging in opium eating will in course of time lose its hold with the

spread of education and culture. Any sudden increase may reduce the consumption but its effects would be adverse on State finances.

III. *Stocks of opium in the State.—Their quantity, by whom they are held, their value, the extent to which they are already under State control and how best they could be disposed of.*

III. At the present moment there are 339 maunds 30 seers 3 chhataks and $1\frac{1}{2}$ tolas of opium (ball, pieces and powder) in the Jaora State. Of this Stock, 294 maunds and 16 seers are held by the merchants and 45 maunds 14 seers 2 chhataks and 4 tolas are in the State Ware-house. This opium is sold through the contractor for local consumption.

Besides the opium kept in the State Kotha the stocks owned by the merchants remain in their possession. But all this opium is registered with the name of the respective owner and the entries are duly signed by the owners. When opium is taken from one place to another, or sold and purchased or its possession transferred, an entry of such change is made in the register. Similarly the opium in the State Kotha is also entered in the Register. Whenever opium is delivered from the State Kotha to the Contractor for sale to meet the local requirements it is registered No person is authorised to deliver or transfer the possession of opium without giving information to the Darbar and having its entry made in the Register. Supervision is kept to check the illicit removal of opium from one place to another.

The existing state of things has been brought to the notice of the Government of India and the Excise Commissioner for Central India. The export of opium is almost entirely stopped, and there is sufficient quantity of opium held by the State for local requirements, there is no outlet for the stocks held by the merchants, except this that the Government of India purchase them at a proper and reasonable price.

IV. *Smuggling out of the State.—Its causes and prevalence, the preventive agencies in existence, their present effectiveness and the possibilities of their improvement.*

IV. (*a*) Opium owned and possessed by all the merchants is registered. After taking their signatures on such entries in the Register the merchants are bound not to remove any quantity of opium from their stocks without giving information and obtaining formal sanction in this behalf. Occasional checking is also done to see whether the stock held by any merchant is increased or decreased in an illicit manner.

(*b*) Crude opium is purchased from the cultivators for the Government of India. It is to the interest of the State to prevent smuggling as they would lose their profit. Moreover crude opium is very rarely smuggled. It has been found by experience that

when there is licit demand and an outlet for a certain commodity, that commodity is rarely if ever smuggled.

V. *Purchase from Ghazipur. The advisability and practicability of the purchase of opium by the States from Ghazipur at cost price. How far the inhabitants of the States would be prepared to consume Ghazipur opium and whether Ghazipur could produce opium suited to their taste and needs.*

V. The answer to this query cannot be given until an experience is gained of the use of the Ghazipur opium as to how far the inhabitants of this State would like its use and whether it would be suited to their taste.

VI. *The policy suggested by the Government of India. The advisability and practicability of adopting the policy suggested by the Government of India, namely, the discontinuance of cultivation in the States, the purchase of opium by the States from Ghazipur at cost price and the adoption by the States of the policy of maximum revenue from minimum consumption so as, ultimately, to raise the selling price to a level with that in the adjoining British districts, thereby removing the incentive to smuggling and reducing consumption.*

VI. (*a*) (1) The Jaora State has got an inherent right to cultivate opium within its own territories from times immemoraial. The writings of European travellers bear testimony to the antiquity of the Malwa trade. They also testify that the opium was the principle crop in Malwa and was largely exported to China and other Eastern countries.

(2) In the beginning of the nineteenth century while after securing supremacy in Bengal, Bihar and Benares, the East India Company took the opium trade of these Provinces in their own hands. They took steps to prevent the export of Malwa opium across the sea with the object of protecting the Bengal Opium. In 1830 the Government of India formally recognised the Malwa Opium Trade and decided to withdraw interference with the growth and transit of opium throughout Malwa and to confine restrictions as to importation to British territory Gujrat, Kathiawar and Cutch. In consequence of this policy direct passage of Malwa opium to Bombay for export by sea under system of passes and on payment of a fee or duty which was fixed at Rs. 175 per chest was allowed. This duty represented the total expenses formerly incurred by the Malwa merchants in sending their opium to Bombay by the circuitous route passing through the territories of the Indian States. The principle of the imposition of this duty was subsequently lost sight of and it began to be fixed in direct ratio to the prices realized for the Bengal opium at the Calcutta sales with the result that by the end of the nineteenth century the duty reached the figure of Rs. 600 per chest.

(3) In the year 1906 the Government of India through His Majesty's Government became a party to an agreement concluded with the Chinese Government and continuous curtailment in the number of chests of Indian opium to be exported to China was agreed to be carried into effect—this curtailment to gradually result in a complete extinction of the trade within 10 years. In 1911 the treaty was revised and the revision imposed on Government the obligation of completely stopping trade with China from the year 1913. During the final stages (1911-13) even though a share of the remaining China trade was allotted to the Malwa States yet the Government of India doubled the pass fee and elected to auction the right of export. The Darbar was given a share in the enormous revenues derived from the enhanced duty and the auction proceeds, but the enhancement of duty effected from time to time till it reached a prohibitive figure operated to eliminate Malwa opium from markets which were still available and thus a direct blow was dealt to the Darbar's revenues.

(4) The stoppage of the Malwa opium trade has not only vitally affected the Darbar's revenues but has affected their cultivators, merchants and public at large. This fact has been brought to the notice of the Government of India by means of memorials and representatives deputed by the Darbar at the Conferences which have been held in this connection during the last 10 years. In the last conference which was held at Delhi in the year 1924 in connection with the Codification Committee under the presidentship of Sir John Thompson, the then Political Secretary, the Darbar's representative after stating that the prohibition of the cultivation of poppy was in itself an infringement of Darbar's recognised privilege and of the revenue rights of Malwa States had made the following suggestions:—

(a) That the restriction of poppy cultivation can only be justified either on:—

(i) Humanitarian grounds; or

(ii) Fiscal consideration.

He said that if the policy of the Government is based on (i) the Indian States were with the Government and were quite prepared to reduce or stop the poppy cultivation. If on the other hand the prohibition be based on fiscal grounds, it was submitted that the Government of India should not violate the internal autonomy of the States just to safeguard its own fiscal interests which arose out of a consideration of monopolies.

(b) If however in the common interests of all the parties concerned it might be found necessary to restrict the area of poppy cultivation on economic grounds, so as to restrict the supply to the diminishing demand, the States would be willing to co-operate in the restriction of the area of production on an equitable basis such as the suitability of the soil, the strength of the past

averages and the facilities for export. The shrinkage in the area of poppy cultivation should be uniform in British India as well as Indian States.

(*c*) The Government of India had stopped all exports of opium grown in Malwa States to places in and outside India. But a substantial quantity of opium grown in British India was still exported to many places in the East such as Siam, Cochin, China, etc. This foreign trade ought to be equitably distributed between all opium growing States *pro rata* and should be subject to no Pass-fee because the manipulation of the Pass-fee by the Government had been made a means of deriving revenue at the cost of the States.

(*d*) It was also submitted that the States not growing their own opium were compelled to obtain their supplies from British India Ware-house. Several opium growing States had their own spheres of influence in certain areas. They should be free to supply their own home grown opium to these and other jurisdictions. The British Government should not compete with their trade in their own areas.

B. (1) The Policy relating to poppy cultivation as proposed by the Government of India in their letter, dated the 11th March 1927, No. 1701—10—4/4-27; which is now recapitulated is briefly as under:—

(*i*) The Indian States including the States of Malwa and Rajputana should totally stop the cultivation of opium in their territories.

(*ii*) Opium required for local consumption should be purchased from the Government Factory at Ghazipur. The Government of India will supply opium to the States at the cost price as they do to their own provinces.

The reasons assigned for the adeption of this policy are as follows:—

(*i*) By the ratification of the Hague Opium Convention of 1912 and the treaties made previous and subsequent thereto the Government of India pledged themselves to the ultimate suppression of opium smoking and undertook certain obligations by way of the limitation and control of opium export.

(*ii*) The Government of India think that the stocks of opium in the States of Malwa and Rajputana are in large accumulation. The yearly cultivation only makes fresh addition every year to the existing stocks. The Malwa and Rajputana States therefore form the prime source of illicit export to British territories and other countries.

In this connection the Government of India have drawn attention to the disparity of the selling rates of opium prevailing in British Provinces and the Indian States and expressed dangers of smuggling.

(2) If the Government of India have committed themselves and the Indian States to this pledge it is only the duty of the Indian States to help the Government of India in carrying out this international obligation and Jaora Darbar will ever be willing to co-operate with the Government of India in suppressing this social scourge of opium smoking in foreign countries, the Darbar have always been prepared and ready to help the Government of India in discharging their Imperial and International obligations. At the same time it is equally the duty of the Darbar by showing the great losses that have been suffered in the past and are yet to come due to the proposed policy to ask for a fair and equitable treatment in any new adjustments that are necessitated by the carrying out of such obligations.

(*a*) Taking first the area under poppy cultivation it appears that during the last 30 years the area in the Darbar territory has dwindled from 33,000 bighas to about 6,000 bighas at the present time. Even this latter figure has no permanency as the Agreement with the Government of India for the purchase of opium is only periodical. If the Government were to terminate the Agreement it would be no exaggeration to say that the area under poppy cultivation might perhaps be cut down even to less than 100 bighas. While on the other hand the British Indian territories do not show such great reduction. It is not to be forgotten that the income derived from opium in 1894 represented 50 per cent. of the Darbar's total revenue, and the loss of $\frac{1}{4}$ of the revenues is not the thing the Jaora Darbar with limited and inelastic sources can easily cope with. The Jaora Darbar have it within their knowledge that in respect of opium the Government of India have also made heavy financial sacrifices. The income from opium which was about 8 crores is now reduced to 2 crores. But the Government of India will kindly consider what a distressing and embarrassing situation it would be for the Jaora Darbar to lose a quarter of their revenue by proposed measure and having no elastic sources of income to recoup the deficit thus caused.

(*b*) *Exportation of opium.*—From 1913 the trade with China is wholly stopped. Malwa opium cannot be exported to Siam, Cochin, China, etc., and other Eastern countries due to the prohibitive Pass-fee. In view of the International obligations, after some time, it will not at all be exported to such places where it is smoked. And the Government of India, in their zeal to fulfil their

obligations refused permission for the export of opium when a demand was made for it by the Governments of Persia and Macao. It caused heavy losses to the Malwa and Rajputana States.

(c) Proper supervision is maintained by the Darbar from the very beginning on the illicit export and possible efforts are made to improve and strengthen their system of control and have co-operated to prevent smuggling of illicit opium even for internal consumption. But to lay undue stress on the preventive illicit excise Methods in eliminating is nothing but fiction because we see that the strictest and complete preventive measures have not succeeded in eliminating illicit cocaine and other intoxicating drugs from the British territories. Moreover the newspapers show that every year an increase is noticeable in the quantity of illicit cocaine and other drugs seized at Indian ports.

(3) The Government of India could for themselves consider that in matters relating to opium the States of India do not fall in the same category and that it would be inequitable to class them one and to mete out the same treatment to all. There should be two different policies for the following two different classes of States:—

(i) Opium producing States.

(ii) Non-opium producing States.

The reason being that the proposed policy touches the non-opium producing States only slightly but vitally affects the States falling in the other class. The Jaora Darbar's right of opium cultivation has never been challenged by the Government of India, while on the contrary it was formally recognised and acknowledged by them in 1830. Under these circumstances the Jaora Darbar, one of the Treaty States of the Malwa Agency lying in the Malwa Opium Zone, on the strength of their long established right respectfully demand that they should be given in conjunction with other opium producing States the monopoly of supplying opium to the non-opium producing States without any artificial restrictions, and this demand being made in good faith the Darbar hope would not be considered unjust and unfair. The details as to the shares of area, etc., can be settled after a thorough investigation by a representative body of the British Government and the opium producing States. Further the Darbar respectfully claim that a proportionate share in the Government of India's opium trade unhampered by any restrictions should be vouchsafed to them.

(4) In case the Government of India be determined to carry out their policy at any cost, the Darbar do not desire to stand in their way but would request that after a thorough investigation of the merits of their case the Government of India may be pleased to fix an annual amount by way of Compensation for the losses

suffered by the Darbar by the abandonment of the right of poppy cultivation Such a demand is not at all a new practice in the history of the relations of Indian States with the Paramount Power The amounts paid by Government to several Indian States as Salt Compensation may be cited as cases to the point Again so long ago as 1882 the Government of India while restricting the right of poppy cultivation of the Palanpur State in Gujrat fixed a cash annual compensation for the losses which that State had to bear by the abandonment of the right The producing States have got just as good a right to make the demand

(5) In conclusion the Darbar would once more request the Government of India to give due consideration to the ancient just rights of the Jaora Durbar and relieve them of the suspense which the proposed policy of the Government of India has put them in The Jaora Durbar fully appreciate the fact that the Government of India have been compelled to suggest a new policy with regard to the cultivation of opium by certain International Imperial Obligations which have been recently undertaken in the cause of humanity, and hope that in this respect Justice will go at least side by side with Generosity

---

Export duties in the Jaora State

Serial No	Name of the Commodity	Export duty Per Maund Rs	A	P
1	Barley	0	4	0
2	Jowar	0	2	0
3	Wheat	0	3	0
4	Maize	0	2	0
5	Bajra	0	3	0
6	Mash	0	2	0
7	Moong	0	2	0
8	Masur	0	2	0
9	Gram	0	11	0
10	Chaula	0	2	0
11	Tuar	0	2	0
12	Linseed	0	4	0
13	Onion	0	1	4
14	Poppy seed	0	4	0
15	Cotton seed	0	1	4
16	*Cotton (out of state)	0	4	0
17	Ground nut	0	3	0
18	Dry Chillies	1	8	0
19	Green Chillies	0	8	0
20	Maithidana	0	2	8

* NOTE —If the raw material is exported out of the State the exporter has to pay a prohibitive duty of annas four per maund

Opium consumed.

Samvat year	Md. Srs.	Rs. A. P.
		1,600 0 0
1976	8 14	
1977	8 0	
1978	7 15	
1979	7 2	
1980	7 32	
1981	8 7	
1982	8 0	
1983	8 34	
Average of the last five years	7 39	

Charas consumed.

Samvat year	Md. Srs.	Rs. A. P.
		2,722 0 8
1980	1 19	
1981	1 6	
1982	1 19	
1983	1 0	

Ganja consumed.

Samvat year	Md. Srs.	Rs. A. P.
		770 0 0
1980	3 20	
1981	3 3	
1982	2 29	
1983	3 6	

Bhang consumed.

Samvat year	Md. Srs.	Rs. A. P.
		444 0 8
1980	3 30	
1981	3 30	
1982	3 32	
1983	3 20	
		5,537 0 0

Statement of cultivation and wells in the Jaora State.

	LANDS IN POSSESSION OF CULTIVATORS						STATE LAND.							
	CULTIVATED LAND.				Uncultivated land in possession of cultivators	Total of Columns 5 and 6	Culturable.	Unculturable.	Total of Columns 8 and 9	Total area, Columns 7 and 10.	Area under poppy cultivation.	Solid pacca.	Earthen well with a pucca thala.	Earth en well
	Irrigated Land		Unirrigated.	Total.										
	Actually irrigated.	Not irrigated.												
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Sammat 1973 .	11,596	4,956	221,311	2,37,863	78,712	316 576	75,099	122,025	197,124	513,701	740	347	466	2,359
Sammat 1983 .	13,518	6,394	256,583	2,76,495	108,762	385,258	45,874	10,070	55,944	541,203	4,463	463	716	2,551

The average Settlement rates in force.

Serial No.	Name of District.	Average rates for Irrigated Lands						Average rates for Unirrigated Lands.					Average rates for Parat Lands. Adan Paiki.		
		A.	First.	Second.	Third.	Bara.	Gorma.	First.	Second.	Third.	Barri.	Halki.	First.	Second.	Third.
		Rs. a. p	Rs. a.	Rs. a.	Rs. a.	Rs. a.	Rs. a.	Rs. a.	Rs. a.	Rs. a.	As.	As.	Rs. a.	Rs. a.	Rs. a.
1	Jaora .	15 12 10	13 :	11 0	10 0	4 14	3 0	2 (	1 1	0 1	...	...	4 14	3 6	2 7
2	Baraoda .	......	...	...	...	...	..	...	...	...	...	...	...	...	...
3	Tal . .	12 4 0	10 8	8 8	7 8	4 0	3 0	2 0	1 8	0 11	...	...	3 12	2 12	2 0
4	Malhargarh	14 0 0	9 12	8 12	7 12	3 12	2 15	1 12	1 7	1 1	13	10	3 12	2 12	1 14
5	Sabjeet .	12 0 0	9 12	8 12	7 12	3 12	2 13	1 12	1 3	1 1	13	9	3 [illegible]	1 11	1 11
6	Nawabganj	......	10 0	9 0	8 0	4 4	3 3	2 2	1 10	0 15	...	...	4 4	3 4	2 2

Serial No.	Name of District.	for Parat Lands. Gorma Paiki.			Bara Paiki.			Parat Kadeem.			Average rates for Beers.			New Irrigation rates.	Opium Extra cess.	Average rates New lands.		
		First.	Second.	Third.	First.	Second.	Third.	First.	Second.	Third.	First.	Second.	Third.			First.	Second.	Third.
		Rs a.	Rs.	Rs.	Rs. a.	Rs	Rs.	Rs a.	Rs. a	Rs. a.	Rs. a.	Rs. a.	Rs. a	Rs. a	Rs. a.	Rs. a.	Rs. a.	Rs. a.
1	Jaora	2 6	...	...	2 6	...	...	1 0	0 12	0 8	1 4	0 14	0 10	5 8	5 8	1 8	1 0	0 12
2	Baraoda	...	...	..	...	..	...	...	...	...	...	...	...	...	..	...	...	..
3	Tal	2 0	...	.	2 0	...	..	0 15	0 11	0 [illegible]	1 2	0 13	0 [illegible]	5 [illegible]	5 8	1 [illegible]	0 15	0 10
4	Malhargarh	1 12	..	...	1 12	..	...	0 15	0 11	0 [illegible]	1 2	0 13	0 [illegible]	5 0	5 0	1 6	0 15	0 11
5	Sabjeet	1 14	...	.	1 14	...	...	0 15	0 11	0 [illegible]	1 2	0 13	0 [illegible]	5 0	5 0	1 6	0 15	0 11
6	Nawabganj	2 2	...	...	2 2	...	...	1 0	0 12	0 8	1 4	0 14	0 1[illegible]	6 0	6 0	1 8	1 0	0 12

Acreage under poppy and produce of opium in the Jaora State.

	Sammat 1979.			Sammat 1980.			Sammat 1981.			Sammat 1982.			Sammat 1983.		
	Bigha.	Bis.		Bigha.	Bis		Bigha.	Bis.		Bigha.	Bis.		Bigha.	Bis.	
	8,188	1		7,13[illegible]	6		6,674	3		3,859	6		4,463	8	
Acres	5,117	17		4,157	22		4,171	11		2,412	2		2,789	20	
	Md.	Sr.	Ch.	Md.	Sr.	Ch	Md.	Sr.	Ch	Md.	Sr.	Ch.	Md.	Sr.	Ch.
Actual Produce	1,293	3	0	899	34	0	928	8	0	339	17	0	721	21	0
Average per bigha	0	6	5	0	5	0	0	5	0	0	3	0	0	6	5

Statement showing Receipt Estimates for five years from Sammat 1979 (1922-23) to Sammat 1983 (1926-27).

No	Heads.	St. 1979 1922-23.	St. 1980 1923-24.	St. 1981 1924-25	St. 1982 1925-26.	St. 1983 1926-27.
		Rs.	Rs.	Rs.	Rs.	Rs.
1	Land Revenue . .	7,45,696	7,45,336	7,53,183	7,59,640	7,67,430
2	Customs . .	1,27,976	1,32,945	1,48,618	1,35,066	1,69,456
3	Excise . . .	72,700	67,000	71,195	81,000	81,000
4	Opium . . .	50,000	80,457	1,03,060	1,01,000	26,425
5	Forests . . .	5,071	4,737	6,457	33,337	52,739
6	Stamp . . .	19,815	21,940	21,940	21,940	21,940
7	Registration . .	486	486	486	486	486
8	Interest . . .	32,195	2,205	1,144	1,158	1,658
9	Law and Justice .	3,357	4,207	4,152	4,152	4,152
10	Electric Department .	...	...	...	...	56,640
11	Gardens . . .	507	507	1,515	8,284	2,341
12	Co-operative Societies	...	...	...	5,114	...
13	Municipality . . .	15,130	19,000	20,000	...	24,015
14	The State Press .	100	100	100	100	100
15	Public Works Department.	5,442	5,442	1,642	1,732	2,006
16	Miscellaneous . .	3,547	2,952	3,596	3,006	3,896
17	Recovery of State loans	35,000	49,000	75,500	34,500	34,500
18	Arrears . .	38,498	19,206	17,412	14,485	5,216
	TOTAL .	11,55,520	11,55,520	12,30,000	12,05,000	12,54,000

Average income Rs. 12,00,000.

Area under Cultivation of different Crops (Khareef) S. 1983.

—	FOODSTUFF.															
	Maize.		Jawar.	Chillies.		Urd	Sal (Rice).	Sugarcane.	Vegetable.		Groundnut.		Miscellaneous.		Total.	
	Irrigated.	Unirrigated		Irrigated	Unirrigated				Irrigated.	Unirrigated	Irrigated.	Unirrigated	Irrigated.	Unirrigated.	Irrigated.	Unirrigated.
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
1983 Khareef .	40	14,067	... 189,651	821	867	. 2,413	. 117	228	74	48	17	343	32	9,102	1,215	1,036,611

—	FOODSTUFF.										Total of cols. 16 and 17+26 and 27.	
	Tobacco.		Cotton.		Sun (Hemp).	Til.	Miscellaneous		Total.			
	Irrigated.	Unirrigated.	Irrigated.	Unirrigated.			Irrigated.	Unirrigated	Irrigated.	Unirrigated	Irrigated.	Unirrigated.
1	18	19	20	21	22	23	24	25	26	27	28	29
1983 Khareef .	1	53	15	75,613	... 991	. 5,324	114	1,232	130	83,214	1,345	2,019,825

This statement is for Khalsa villages.

Area under Cultivation (Rabi Crops).

—	Foodstuffs.												Others.										Total of Cols. 10,11 & 19-20.	
	Gram.		Wheat.		Barley.		Dhania.		Misc.		Total.		Opium.	Sarsou.		Linseed.		Misc.		Total.			
	Irrigated.	Unirrigated.	Irrigated.	Unirrigated.	Irrigated.	Unirrigated.	Irrigated.	Unirrigated.	Irrigated.	Unirrigated.	Irrigated.	Unirrigated.	Irrigated.			Irrigated.	Unirrigated.	Irrigated.	Unirrigated.	Irrigated.	Unirrigated.	Irrigated.	Unirrigated.
1	2	3	4	5	6		7	8	9	10	11	12	13	14	15	16		17	18	19	20	21	22
1963 Rabi	640	15,277	4,697	23,945	914	84	1	247	1,302	57	7,555	39,512	3,947	0	1	12	9,078	54	278	4,014	9,378	11,570	18,991

N.B.—This statement is for Khalsa villages.

REPORT FOR THE JHABUA STATE.

Pandit MANKAMESHWARNATH, Superintendent of Offices in the Jhabua State, is the Committee Member representing the State.

A Note containing the information required on the Terms of Reference, supplied by the Diwan of Jhabua on behalf of the Darbar, is recorded by the Committee as an accompaniment to this Report.

There is no poppy cultivation in the State, and there are no stocks of opium in the hands of merchants or private persons. The Committee's discussion has therefore been mainly concerned with the following three points of importance, in regard to which the Committee unanimously records the conclusions given below :—

1. The President explained that a scheme is under discussion having for its object the purchase and storage in godowns in a central position of all stocks of old opium at present in the possession of merchants and private persons in Central India and Rajputana. These stocks are roughly estimated at 25,000 to 30,000 maunds, and the object of the scheme is to enable them to be placed immediately under control and to be passed into consumption as quickly as possible.

The consumption in the Jhabua State was 26 maunds 4 seers in 1926-27, representing in the population of 123,932 a consumption of 84·2 seers per 10,000.

The Jhabua Darbar are prepared to assist the scheme outlined above, should it be brought into operation, by purchasing from the central stocks the opium required for internal consumption in the State, provided—

(1) that the opium is of good quality and meets the taste of consumers in the State; and

(2) that the authority responsible for purchasing the opium and reselling to the States makes no profit on the transaction, the price to the States being adjusted so as merely to cover expenses.

2. The Committee then discussed the suggestion of the Government of India that the States should, after the stocks of old opium are exhausted, obtain their supplies of opium from the Ghazipur Factory.

The Jhabua Darbar will be prepared to take opium from the Ghazipur Factory, after the old stocks of opium in Central India and Rajputana have been exhausted, provided—

(1) that the opium is of good quality and suitable to the taste of consumers in the State; and

(2) that the extra cost of Ghazipur opium can, in the Darbar's opinion, be made good by increasing the duty and retail

selling price of opium in the State, so that no loss of opium revenue will be involved.

3. The third question discussed was the possibility of enhancing the taxation and retail sale price of opium in the State and the probable financial effect of this policy:

The consumption in the State averages 84·2 seers per 10,000 and amounted in 1926-27 to 26 maunds 4 seers. The State realized by opium taxation in that year Rs. 17,990 or approximately Rs. 17 per seer of consumption. The revenue from duty and profit was Rs. 14,850 (or about Rs. 14 per seer), and the revenue from license fee is estimated at Rs. 3,000 (or about Rs. 3 per seer). The present cost price is stated to be Rs. 10 to 11 per seer. The issue rate is now (from 1st October 1927) Rs. 35, and the retail sale price is now Rs. 40. Under new supply arrangements inaugurated in the present year the Darbar's revenue from duty and profit will now increase to about Rs. 24 per seer.

The Jhabua Darbar agree generally with the policy of maximum revenue from minimum consumption and are prepared to raise the selling rate of opium in the State to a degree corresponding as nearly as possible with that in force in British India, provided—

(1) that the enhancement is carried out by gradual stages;

(2) that the same price is enforced in all the neighbouring States; and

(3) that the Darbar are satisfied that the enhancement does not cause undue hardship to legitimate consumers.

It would perhaps be possible under these conditions to raise the selling price ultimately to Rs. 100 per seer. Assuming that the State's profit from taxation were then Rs. 70 per seer, and that the increased price caused a reduction in average consumption to 40 seers per 10,000, equivalent to 496 seers annually, the total opium revenue would then be Rs. 34,720 compared with the present figure of Rs. 18,000.

J. A. POPE, *President*.
MANKAMESHWARNATH,
AZIZUDDIN AHMED,
G. S. HENDERSON, } *Members*.

Dated Dohad, the 4th April 1928.

Accompaniments to Jhabua State Report.

Opium non-producing State since 1911 A.D.

(Opium producing State just as Sailana, Ratlam, but the State prohibited the cultivation according to the advice of the Government in 1911 A.D.)

Information in answer to the Terms of Reference of the Opium Committee.

I. (2) (*b*) The State purchases opium from the Government Depôt probably from Neemuch through the Opium Commissioner, Indore, at the rate of Rs. 700 or thereabouts per chest containing 140 lbs., *viz.*, nearly Rs. 5 per lb. and sells it to the Licensees at the rate of Rs. 10-8 per lb.

Duty is charged at Rs. 7 per lb. from the Licensees besides the license fee.

The following figures show the Revenue under this head of the year 1926-27 (from October 1926 to the end of September 1927):—

	Rs.
Profit from sale to the Licensees	5,450
Commission to the Supply contractor . .	5,450
Duty	9,404
License fee	3,136
Total .	23,440

The amount of average Revenue for the last 5 years is Rs. 14,135 The amount of average commission to the supply contractor for the last five years is Rs. 4,382-8—in all Rs 18,517-8.

(*c*) *Nil.*

(*d*) There is no other form of Revenue under this head.

(*ii*) The total revenue of all kinds from opium including commission bears a proportion of about 1/18 to the total Revenue of the State.

(*iii*) The expenditure incurred in this State for the distribution of opium is included in the expenditure of Excise Department There are five godowns. The head godown is at Jhabua proper and the remaining four are situated in the four different Tahsils Opium is supplied to the subordinate godowns through the Police, Sawars and the Licensees come to the godowns which are nearest to their shops and purchase the opium.

The Opium department is amalgamated with the Abkari (Liquor) department and no extra establishment is kept for the former as the Abkari Inspectors supervise the sales of retail opium also. No contingent and other expenses are incurred separately.

(*iv*) *Nil.*

(v) *Nil.*

(vi) The present cost of opium excluding freight charges about Rs. 5 per lb. and the selling price to the Licensee is Rs. 1 per lb. including duty at Rs. 7 per lb. The Licensee sells opi at Rs. 20 per lb.

If the selling price be gradually raised and slightly it will som what reduce consumption, but is likely to increase the Revenu of the State. On the other hand if it is taken to a higher figu the consumption will be reduced to such an extent that th revenue of the State will suffer.

(vii) Ghazipur opium has not been used here upto now. It is not known whether Ghazipur opium is as good as that imported through the Excise Commissioner, Indore, and at the same time cheaper in price. And the financial result of this step cannot definitely be stated at this stage.

II. (i) Opium is used by opium eaters of this State in its original form as obtained from the Government Godown. It is used simply as intoxicant and is also used at the time of betrothals and marriages in Rajput families. The extent of its use is from one Ratti to half a tola a day.

It is generally administered to children in very small doses (about the weight of a rapeseed) by their mothers, for keeping them quiet while the latter are engaged in their work.

(ii) It is taken in the form of balls.

(iii) No chemical composition of opium is prepared in this State.

(iv) The answer is given in I (vi).

III. *Nil.*

IV. *Nil.*

V. It is practicable to purchase opium from Ghazipur, but the advisability of such a step cannot be definitely stated because the Ghazipur opium has never been offered for sale in this State upto this time and it is impossible to say whether it will suit the taste and needs of the people here.

VI. The policy of the Government "Maximum Revenue from Minimum Consumption" is a very noble policy, but is hardly applicable to a State like this.

The pecuniary condition of the inhabitants of this State is uch that if the selling price is raised beyond a certain figure, he consumption will be reduced to such an extent, that the evenue of the State will suffer. Many opium eaters will give o the practice of using this intoxicant for want of funds and ose who will be able to bear the expense will be so small in mber that their pockets will hardly be sufficient to maintain n half of the present revenue.

REPORT FOR THE KHILCHIPUR STATE.

Sahibzada AZIZUR RAHIM KHAN, Diwan of the Khilchipur State, is the Committee Member representing the State.

A Note containing the information required on the Terms of Reference, supplied by Sahibzada Azizur Rahim Khan on behalf of the Darbar, is recorded by the Committee as an accompaniment to this Report.

There is at present no poppy cultivation in the State, and there are no stocks of opium in the hands of merchants or private persons. The Committee's discussion has therefore been mainly concerned with the following three points of importance, in regard to which the Committee unanimously records the conclusions given below:—

1. The President explained that a scheme is under discussion having for its object the purchase and storage in godowns in a central position of all stocks of old opium at present in the possession of merchants and private persons in Central India and Rajputana. These stocks are roughly estimated at 25,000 to 30,000 maunds, and the object of the scheme is to enable them to be placed immediately under control and to be passed into consumption as quickly as possible. The assistance required in this connection from the State would be limited to an agreement to purchase from the stocks so collected the opium that may be required from time to time for its internal consumption.

The consumption in the Khilchipur State has averaged in the last five years 8 maunds annually, representing in the population of 40,043, a consumption of 80 seers per 10,000.

The Khilchipur Darbar are prepared to assist the scheme outlined above, should it be brought into operation, by continuing the present prohibition of poppy cultivation and by purchasing from the central stocks the opium required for internal consumption in the State, provided—

(1) that the inherent right of the State to produce opium is retained in all circumstances; and may be exercised at any time if, in the Darbar's opinion, cultivation in a neighbouring State is a cause of opium being smuggled into Khilchipur territory;

(2) that the opium is of good quality and meets the taste of consumers in the State;

(3) that the authority by which the old stocks are bought and resold to the States makes no profit on the transaction, the price charged being arranged so as merely to cover expenses; and

(4) that the price is not greater than the cost to the State of producing its own opium by cultivation.

2. It is estimated that a period of something like 10 years must elapse before the stocks of old opium will have passed into consumption. After that period the question will arise as to the means by which the States shall obtain the opium required for their internal consumption. In this connection the Government of India have suggested that States should receive their supply of opium at cost price from the Ghazipur Factory. The President stated that the present cost of opium from the Factory is Rs. 26 per seer. This is considerably greater than the present cost of opium obtained in Central India and Rajputana. It is hoped, however, that the cost of the Ghazipur opium will be reduced when the present large accumulations of stocks at the Factory have been diminished. Moreover the present price of opium in Central India and Rajputana is artificially low, being governed by the fact that there are very large stocks of opium and only a small market available for these stocks. Consequently there must in any case be an increase in the cost price of opium in Central India and Rajputana after the present stocks of old opium have ceased to exist. It is anticipated, therefore, that the disparity in price between the cost of Ghazipur opium and the cost of opium in Central India and Rajputana will be much less at the end of about 10 years than it is at present.

The Khilchipur Darbar will be prepared to take opium from the Ghazipur Factory, after the old stocks of opium in Central India and Rajputana have been exhausted, provided—

(1) that the inherent right of the State to produce opium is retained as stated in condition (1) of paragraph 1 above;

(2) that the opium is supplied by Government at cost price, no profit being made by Government on the transaction;

(3) that the opium meets the taste of consumers in the State; and

(4) that the price of the opium will not be greatly in excess of the cost of any alternative source of supply, including production in the State.

3. The third question discussed was the possibility of enhancing taxation upon opium in the State and the probable financial effect of such a policy.

The present annual consumption in the State averages 8 maunds representing 80 seers per 10,000 of population. The State realizes by taxation approximately Rs. 17 per seer in the shape of duty and profit and Rs. 7 per seer in the shape of license fee, the total revenue from opium thus approximating at the present rates Rs. 7,680. The retail selling rate at present is Rs. 35 per seer.

The Darbar are not prepared to bind themselves to raise the selling rate of opium to the level obtaining in British India, having regard to the habits of the people and their economic condi-

tion; but they are ready to enhance the present selling rate, subject to the following conditions:—

(1) that the enhancement is carried out by gradual stages with reasonable intervals;

(2) that the same price is enforced in all the neighbouring States; and

(3) that the Darbar are satisfied that the price is not so high as to cause undue hardship to legitimate consumers.

On the assumption (which the D
that it might be possible in th
ultimately to Rs. 100 per seer,
taxation were then Rs. 70 per seer, and assuming that in consequence of the increase in price the average consumption were to fall to 40 seers per 10,000 or about 160 seers annually sold in the State shops, the Darbar's revenue from opium taxation would then be Rs. 11,200 compared with the present annual revenue of Rs. 7,680.

J. A. POPE, *President.*
AZIZUDDIN AHMED,
MOHAMMAD AZIZUR RAHIM KHAN,
G. S. HENDERSON,
} *Members.*

Dated Indore, the 10th April 1928.

Accompaniment to Khilchipur State Report.

Information regarding the terms of reference.

I. The present situation specially in regard to—

(1) AGRICULTURE.

(a) The extent to which poppy is cultivated in each State.

Since 1923 no poppy has been cultivated in this State as the stock for consumption was found sufficient.

(b) The quality and nature of land on which it is cultivated and the amount of irrigation required and the nature of arrangements for such irrigation.

The opium is generally cultivated on black soil and it is irrigated at some places by Pakka wells and at other places by Kachha wells. If any river or a Nalla happens to pass by the opium producing tract Kachhi "Odees" are made and irrigation conducted. Generally it is required to be irrigated 5 times each after an interval of one fortnight.

(c) *The liability of the yield of the crop to fluctuate owing to seasonal conditions.*

It is grown in cold season and the yield is subjected to fluctuations owing to excessive cold.

(d) *The advantages and disadvantages of cultivating poppy as compared with other crops from the point of view of the cultivator.*

The cultivators have greater liking for poppy cultivation than other crops as they can produce certain miscellaneous crops such as Dhaniya, Jeera, Lehsan, Batli, etc., along with poppy, which they cannot do with wheat and sugarcane and the total income which they derive from poppy, etc., is greater according to their estimate than that of wheat. Sugarcane requires much watering and greater manual labour and brings poorer return, so the idea of substituting it for poppy is not favoured.

(e) *The possibility of substituting other crops for poppy and the effect on the cultivator of such substitution.*

So far as the general cultivator's opinion goes there is no other crop to replace opium cultivation profitably. They are sowing wheat perforce and yearn for the happy old system of opium cultivation.

(2) FINANCIAL.

(i) *The average revenue derived by the State from opium under the following heads:—*

(a) *Land revenue, distinguishing revenue from land cultivated with poppy for supply to the Government of India, that from land cultivated with poppy for supply to other States and that from land cultivated with opium for internal consumption.*

The average assessment of land cultivated with poppy is Rs. 10 per acre and the revenue depends on the number of acres sown. Since the cultivation of poppy has been restricted no opium is cultivated for supply to the Government of India or other State. It is cultivated only for internal consumption. The area sown under poppy since the year 1906-07 to the present year is noted under answer to question No. 1 (*a*) of statistical information and the revenue thus derived can be calculated from it. Before it the average poppy cultivation was 1,564 acres. It was then exported to commercial centres and the duty of Rs. 12-8-0 per bag was realized.

(b) *Revenue other than land revenue derived from internal consumption.*

The revenue from internal consumption is Rs. 4,235. It is an average taken after calculating the income for the last 9 years.

(c) *Revenue other than land revenue derived from export to other States.*

Prior to restriction of poppy cultivation the export revenue was Rs. 2,210 on 387 maunds at Rs. 12-8-0 per bag of 2 maunds $2\frac{1}{2}$ seers.

(d) *Revenue other than land revenue derived from sale to the Government of India.*

Nil.

(e) *Any other form of revenue.*

Nil.

(ii) *The proportion that the total revenue from all kinds from opium bears to the total revenue of the State.*

The average proportion to the total revenue of all kinds from opium to the average total revenue of the State is 1 : 64. (It came after taking the average of the income of last 9 years.)

(iii) *Expenditure upon the regulation and control of the cultivation, manufacture and distribution of opium and the nature of arrangements for such control.*

Before the restriction of poppy cultivation there was no control on it and so there was no expenditure of any kind as crude opium was exported. After it the control and supervision was entrusted to the permanent staff of the Excise and Revenue Departments and the extra charges amounted to Re. 1 per cent. on the price. The expenditure of maintaining Revenue staff, Patels and Inspector is not taken into account.

(iv) *Loss of revenue to the State due to illicit practices in areas where opium is cultivated.*

Nil.

(v) *Loss of revenue due to supplying of opium from outside the State.*

No definite figures can be given about it.

(vi) *The present cost and selling price of opium, the possibility of gradually raising the latter and the effect upon the State's finances of such a policy.*

The present cost of opium is about Rs. 11 per seer and selling price is Rs. 26 per seer. The policy of raising the selling price to a reasonable extent does not seem to be injurious and it would not effect the revenues of the State though since November 1926 when the selling price was raised from Rs. 30 to Rs 35 the sale is decreased.

(vii) *The present sources of supply and the possibility of meeting the demand in the first instance from stocks held in the States under consideration taken as a whole and ultimately from Ghazipur, with special reference to the financial results of such a policy so far as these do not fall under any of the heads mentioned above.*

There are no large stocks of opium in the State and hitherto poppy was cultivated for consumption only; whenever needed it was purchased from Gawalior and Kotah States. Unless the Ghazipur opium is not examined and tried and its price compared with the prices of Udaipur, Kotah and Indore opium nothing definite can be said about it at present.

(viii) *Effect of discontinuance of cultivation of poppy on States that cultivate only for the Government of India and what steps if any can be taken to meet the same.*

The State supplied opium before 1907 to the Government of India and considerably suffered by the discontinuance. Since then no opium has been cultivated for the Government of India.

II. *Consumption in the State.—(i) The manner in which the opium is used, the purposes for and occasions on which it is used and the extent to which it is used and in particular to which it is administered to children.*

The opium is generally eaten, smoked and used for medical purposes. It is not used here on any special occasion. It is administered to children in very insignificant quantity and this practice is slowly dying down on account of lectures given against the use of this intoxicant.

(ii) *The forms (balls, biscuits, etc.) in which opium is used in the State.*

The opium used in the State is in the form of cake and ball both.

(iii) *The chemical composition of opium when prepared for consumption in the manner prevalent in the State and its physiological effects upon the consumers when so consumed.*

No chemical opium is prepared in the State. From crude opium the cakes and balls are prepared by the ordinary process of oiling.

(iv) *The possibility and desirability of effecting a substantial reduction in the amount of opium consumed in the State, the means (increase of selling price or otherwise) by which this could be effected and the financial or other obstacles to such reduction in so far as these have not been dealt with under any of the heads above*

uch fallen in comparison to now reached to its normal any further reduction The s to attempt to get maximum of income by Besides this educating public opinion such sort of social reform is most rmanent good results.

III *Stocks of opium in the State —Their quantity by whom they are held, their value, the extent to which they are already under State control and how best they could be disposed of.*

There are no large stocks of opium in the State. The present stock is 3 maunds 15 seers valued at Rs 1,500 which is under the State control. Private individuals such as sahookars, etc, are not allowed to keep opium in large quantities more than that prescribed in the law and it is only for their personal use

IV *Smuggling out of the State —Its causes and prevalence, the preventive agencies in existence, their present effectiveness and the possibilities of their improvement*

The selling rate of opium in this State as well as in the adjoining States is uniform, hence there is little possibility of smuggling in or out of the State Poppy cultivation was allowed to cultivators in a restricted and compact area under licenses and its supervision was entrusted to the Excise and Revenue Departments and the Patwaris and the Patels of the village This arrangement proved effective and there was no complaint of smuggling During the past few years there were certain complaints of smuggling from certain adjoining States owing to the effect of their allowing poppy cultivation on the border of this State, but when this fact was represented to the Excise Commissioner for Central India he very kindly used his good offices and brought about the removal of the poppy cultivation in the interior portion of that neighbouring State Since then there is no such complaint Before testing and trying Gazipur opium and comparing its price with the opium grown in the State or purchased from the neighbouring States nothing definite can be said about this question Further it remains to be ascertained and settled on what condition the opium is going to be issued from Gazipur Godown

V. *Purchase from Ghazipur.—The advisability and practicability of the purchase of opium.*

It has not been finally considered and definitely settled as yet.

VI. *The Policy suggested by the Government of India. The advisability and practicability of adopting the policy suggested by the Government of India, the discontinuance of cultivation in the States, the purchase of opium by the States from Ghazipur at cost price and the adoption by the States of the policy of maximum revenue from minimum consumption so as, ultimately, to raise the selling price to a level with that in the adjoining British Districts, thereby removing the incentive to smuggling and reducing consumption.*

Opinion on this point would be given orally after discussing the various issues connected with the proposal.

VII. *General.—Any other subjects relevant to the matters mentioned above.*

Statistical Information required in connection with the terms of reference of the Opium Committee.

I. (1) (*a*) *A statement is desirable showing the number of acres cultivated with poppy in each year and the actual yield in maunds and seers of crude opium. Figures should be given for the last 22 years, i.e., from 1906 (the last year prior to the restriction of the China trade) to 1927.*

Year.	Area under poppy in Acres.	Yields.		
		Mds.	Srs.	Chh.
1906-07	3,547	709	21	0
1907-08	2,734	341	31	0
1908-09	2,500	312	20	0
1909-10	1,515	289	12	0
1910-11	1,452	232	16	0
1911-12	1,270	101	23	0
1912-13	498	98	0	0
1913-14 to 1918-19	...		...	
1919-20	142	17	7	5½
1920-21	144	31	31	14
1921-22	36	8	23	6
1922-23	36	9	37	3
1923-24	63	0	0	11
1924-25 to 1926-27	...		...	

(c) *This can conveniently be shown by adding to the statement required under (a) above a column showing the average yield per acre, in each year, for which accurate figures of cultivated area and output are available.*

Year.	Per Acre. Srs.	Chh.
1906-07	8	0
1907-08	5	0
1908-09	5	0
1909-10	7	10
1910-11	6	6
1911-12	3	3
1912-13	7	14
1913-14 to 1918-19	...	
1919-20	4	13
1920-21	8	13
1921-22	9	9
1922-23	11	1
1923-24	1	1
1924-25 to 1926-27	...	

(d) *It is suggested that statistics under this head might, if possible, show in detail the estimated expenses and income of a cultivator owning or holding and cultivating an average holding. The usual rotation of crops should be mentioned in details giving average outturns and values. Comparative figures for poppy as against other irrigated crops; should be given, and similar figures for the usual unirrigated crops. The figures of cost would naturally include the cost of seed, manuring, lancing, weeding and other labour, fodder for cattle (if purchased), land tax, etc., and those of income would include all subsidiary sources of profit such as poppy seed, Bhugsa, etc. If export duties are levied on Agricultural produce and cattle, the rates of these should be given.*

The estimated expenses and income of a cultivator in poppy and wheat cultivation are as follows:—

	Expenses per Acre. Rs.	A.	P.		Income per Acre. Rs.	A.	P.
Makka 2 seers	0	1	6	Makka 2 Manis at Rs. 20 per Mani	40	0	0
Poppy Seeds 2 seers	0	8	0	Crude Opium 5 seers at Rs. 9 per seer	45	0	0
Dhania ½ seer	0	1	0	Dhania 20 seers at 10 seers per rupee	2	0	0
Lehson, 1 seer	0	2	6	Lehson 20 seers at 8 seers per rupee	2	8	0
Land Revenue	10	0	0	Poppy Seeds 1½ Mani at Rs. 30 per Mani	45	0	0
Manuring	10	0	0				
Miscellaneous	22	0	0				
Total	42	13	0	Total	134	8	0

Wheat:—

Expenses.	Rs. A. P.	Income.	Rs. A. P.
Makka 2 seers at 9 pies per seer	0 1 6	Wheat 1 Mani at Rs. 40 per Mani	40 0 0
Wheat 24 seers at 8 seers per rupee	3 0 0	Makka 1½ Mani at Rs. 20 per Mani	30 0 0
Manuring	10 0 0		
Miscellaneous	8 0 0		
Land Revenue	10 0 0		
Total	31 1 6	Total	70 0 0

Unirrigated crops Sugarcane:—

	Rs. A. P.		Rs. A. P.
Sugarcane 2,000	20 0 0	Gud 3 Manis at Rs. 80 per Mani	240 0 0
Methi and Masoor Seeds 34 seers	4 0 0	Methi and Masoor 5 Mds.	13 0 0
Manuring	10 0 0		
Land Revenue	10 0 0		
Miscellaneous	70 0 0		
Total	114 0 0	Total	253 0 0

2. (*I*) (*a*) *The land revenue derived from poppy might be calculated by showing the difference between the average present assessment per acre of land growing poppy and the average assessment likely to be realised on the same land if poppy cultivation were abolished under the settlement in force in the State.*

Either poppy or wheat be cultivated the average assessment per acre is Rs. 10.

(*b*) *An estimate is required showing the cost to the State of every seer of opium issued from the State warehouse to the retail vendors, the Warehouse rate (i.e., the rate charged to the vendors including duty) and the license fee realisations. If opium and hemp drugs shops are combined, the proportion of license fee realization due to opium should, if possible, be estimated accordingly.*

The estimate cost of per seer of opium is Rs. 11, and the rehouse rate including duty is Rs. 30 per seer and the average nse fee realizations are Rs. 2,269. (The retail vendors sell at rate of Rs. 35 per seer.)

(c) *Figures might be given for the last two years showing the total quantity of crude opium produced and the total payment made to cultivators, the quantity* [illegible] *and the payment received for* [illegible]

solely in producing opium [illegible]
special establishments [illegible]
etc. should also be shown.

No poppy was cultivated during the last two years.

(iii) *A statement might be furnished of total establishment,* [illegible] *employed, their* [illegible] *show-* [illegible]

(vii) *Under this head an exact estimate is desirable of the present cost of supply, which should include (in the case of producing States) the price paid for crude opium, the cost of supervision, manufacture and warehouse and the loss on account of dryage and interest charges, or (in the case of importing States) the cost price, commission to wholesale merchants, freight charges and other incidental expenses.*

The present cost of supply including price paid for crude opium, cost of supervision, manufacture, warehousing and the loss on account of dryage, etc., is Rs. 13 per seer.

REPORT FOR THE MAIHAR STATE.

Mr. N. N. MAJUMDAR, M.Sc., B.L., Diwan of Maihar State, is the Committee Member representing the State.

A brief Note containing information in answer to the Terms of Reference, supplied by Mr. Majumdar on behalf of the Darbar, is recorded by the Committee as an accompaniment to this report.

There is no poppy cultivation in the State, and there are no stocks of opium in the hands of merchants or private persons. The Committee's discussion has therefore been mainly concerned with the following three points of importance, in regard to which the Committee unanimously records the conclusions given below:—

1. The President explained that a scheme is under discussion having for its object the purchase and storage in godowns in a central position of all stocks of old opium at present in the possession of merchants and private persons in Central India and Rajputana. These stocks are roughly estimated at 25,000 to 30,000 maunds, and the object of the scheme is to enable them to be placed immediately under control and to be passed into consumption as quickly as possible.

The consumption in the Maihar State is at present about 1 maund 30 seers annually, representing in the population of 66,540 a consumption of 10·5 seers per 10,000.

The Maihar Darbar are prepared to assist the scheme outlined above, should it be brought into operation, by purchasing from the central stocks the opium required for internal consumption in the State, provided—

(1) that the opium is of good quality and meets the taste of consumers in the State;

(2) that the opium will be supplied at cost price, no profit being made; and

(3) that if the price for this opium exceeds the present cost to the Darbar of obtaining opium, the excess can be made good by an increase in the retail selling price, carried out in the neighbouring States as well as in Maihar.

2. The Committee then discussed the proposal of the Government of India that the States should obtain from the Ghazipur Factory the opium required for their internal consumption, after the stocks of old opium have been consumed.

The Maihar Darbar will be prepared to take opium from the Ghazipur Factory, after the old stocks of opium in Central India and Rajputana have been exhausted, provided that the three conditions specified under paragraph 1 above are fulfilled.

3. The third question discussed was the possibility of enhancing taxation upon opium in the State and the probable financial effect of such a policy.

The present taxation revenue from opium cannot be calculated *exactly*, because shops *for country liquor, opium and hemp drugs* are sold under a single contract for a license fee embracing all shops. But the State realizes by taxation on opium Rs. 35 per seer in the shape of duty and profit and approximately Rs. 20 per seer in the shape of license fee, the total revenue from opium on sales of 60 seers thus approximately to Rs. 3,300 annually. The retail selling rate at present is Rs. 80 per seer.

The Maihar Darbar agree generally with the principle of maximum revenue from minimum consumption and are prepared to raise the selling rate of opium in the State to a degree corresponding as nearly as possible with that in force in British India, provided—

(1) that the enhancement is carried out by gradual stages;
(2) that the same price is enforced in all the neighbouring States; and
(3) that the Darbar are satisfied that the price is not so high as to cause undue hardship to legitimate consumers.

J. A. POPE, *President*.
N. MAJUMDAR, AZIZUDDIN AHMED, G. S. HENDERSON, } *Members*.

Dated Sutna, the 14th March 1928.

Accompaniment to Maihar State Report.

Answers to Terms of Reference of the Indian States Opium Committee as regards the Maihar State.

2. (i) (b) Revenue derived from internal Consumption is Rs. 4,000.

(c) *Nil*.

(e) No.

(ii) 4,000 : 3,75,000.

(iii) Rs. 500 are spent directly by the Excise department, but the department works with the help of the Police, Forest and Revenue patwaris.

(iv) *Nil*.

(v) No smuggling.

(vi) The cost price at present is Rs 15 per seer and the selling price is Rs. 50 per seer at which the contractor is supplied If the later is raised it will effect the finances as the sale will be decreased.

(*vii*) Opium is imported from Indore State. There will be no difficulty if it is purchased from Ghazipur stocks provided the quality does not deteriorate and cost price remains the same as at Indore.

II. (*i*) It is consumed as got from the godown and at times is used in smoking and is also given to children by the labouring classes. It is used for medicinal purposes.

(*ii*) Ball.

(*iii*) Opium as imported is used and is not purified. Physically it weakens the people making them lose flesh and constipated.

(*iv*) If the supply price is made high the consumption will be less and if the cost price is not increased owing to curtailment of poppy agriculture there will be no deficit in the revenue.

III. The present stock is about one maund, value Rs. 2,000, and is imported according to requirements and is kept in the State Treasury.

IV. There is no smuggling in the State and the Police, Forest, and Revenue authorities are duty bound to keep strict watch over the smuggling.

V. It has not been uptil now experimented on the suitability of the consumption of the Ghazipur Opium, but as regards this State Ghazipur will not be more distant than Indore.

VI. The policy suggested by the Government of India is on the whole acceptable.

VII. *Nil.*

Figures showing the actual consumption of Opium in the Maihar State in the last five years.

Year.	Md.	Srs.	Chh.	Tolas.
1922-23	2	15	11	$1\frac{1}{3}$
1923-24	2	11	8	2
1924-25	2	3	14	$1\frac{1}{2}$
1925-26	1	35	15	3
1926-27	1	29	13	2

REPORT FOR THE NAGOD STATE.

Rai Sahib Babu CHHEDA LALJI SACHIVA RATNA, Diwan of Nagod State, is the Committee Member representing the State.

A Note containing the information required on the Terms of Reference, supplied by Rai Sahib Babu Chheda Lalji on behalf of the Darbar, is recorded by the Committee as an accompaniment to this Report.

There is no poppy cultivation in the State, and there are no stocks of opium in the hands of merchants or private persons. The Committee's discussion has therefore been mainly concerned with the following three points of importance, in regard to which the Committee unanimously records the conclusions given below:—

1. The President explained that a scheme is under discussion having for its object the purchase and storage in godowns in a central position of all stocks of old opium at present in the possession of merchants and private persons in Central India and Rajputana. These stocks are roughly estimated at 25,000 to 30,000 maunds, and the object of the scheme is to enable them to be placed immediately under control and to be passed into consumption as quickly as possible.

The consumption in the Nagod State has fallen in recent years, as a result of increased taxation, and amounted in 1927-28 to 1 maund 10 seers, representing in the population of 68,166 a consumption of 7·3 seers per 10,000.

The Nagod Darbar are prepared to assist the scheme outlined above, should it be brought into operation, by purchasing from the central stocks the opium required for internal consumption in the State, provided—

(1) that the opium is of good quality and meets the taste of consumers in the State; and

(2) that the price of the opium will be such that the margin of taxation available to the State, represented by the difference between the cost of the opium and the warehouse rate then in force, will not be less than the State's present margin of taxation, which is approximately Rs. 39 on the figures of 1927-28.

2. The Committee then discussed the proposal of the Government of India that the States should, after the old stocks are exhausted, obtain their supplies of opium at cost price from the Ghazipur Factory.

The Nagod Darbar will be prepared to take opium from the Ghazipur Factory, after the old stocks of opium in Central India and Rajputana have been exhausted, subject to the two conditions specified in paragraph 1 above being fulfilled.

3. *The third question discussed was the possibility of enhancing taxation upon opium in the State.*

The Nagod State realizes by taxation approximately Rs. 39 per seer in the shape of duty and profit and Rs. 21 per seer in the shape of license fee, the total realizations from opium taxation in 1927-28 being Rs. 1,902 from duty and Rs. 1,071 from license fee on a consumption of 50 seers. The present warehouse rate is Rs. 50 per seer and the retail selling rate is Rs. 80.

The Nagod Darbar agree with the policy of maximum revenue from minimum consumption and are prepared to raise the selling rate of opium in the State to a degree corresponding as nearly as possible with that in force in British India, provided—

(1) that the enhancement is carried out by gradual stages;

(2) that the same price is enforced in all the neighbouring States; and

(3) that the Darbar are satisfied that the price is not so high as to cause undue hardship to legitimate consumers.

4. The representative of the Nagod Darbar drew attention to the fact that duty is levied by the Governments of British Provinces on drugs such as charas, ganja and bhang imported from the Provinces into Central India and consumed in the States. Some of these drugs, such as *Baluchar* ganja and charas, cannot be produced in Central India. The levy of duty by Provincial Governments in these circumstances violates the now generally accepted canon of duty following consumption and amounts to the Provinces taking advantage of their position of monopoly in order to secure for themselves the taxation which should properly accrue to the States. The Committee as a whole records its full agreement with the view of the Darbar in this matter.

J. A. POPE, *President.*
AZIZUDDIN AHMED, }
CHHEDA LALJI, } *Members.*
G. S. HENDERSON, }

Dated Sutna, the 13th March 1928.

Accompaniment to Nagod State Report.

Answers to Terms of Reference made by the Indian Opium Committee.

I. Poppy is not cultivated in this State.

2. (*i*) (*a*) Poppy is not cultivated in this State, nor is opium supplied to Government or any other State. Hence no Revenue is derived under this head.

(*b*) License fee and duty are the two sources of revenue derived from opium. The average amount of duty realized is Rs. 1,874

and that of license fee is Rs. 1,038. In this State, the license fee for opium is combined with hemp drugs; but for information the above amount has been calculated proportionately with the whole amount of license fee.

(c) *Nil.*

(d) *Nil.*

(e) *Nil.*

(ii) 1 per cent. of the whole income of the State.

(iii) *Nil.*

(iv) *Nil.*

(v) *Nil.*

(vi) Opium is supplied to the contractor at Rs. 50 per seer (including cost price Rs. 10-8-9 and duty Rs. 39-7-3) and that the selling price is Rs. 80 per seer. The duty and retail sale price of opium may gradually be increased and this policy is not likely to adversely affect the finances of the State.

(vii) The present source of supply to the State is from Indore and up to now was found convenient in all respects. The Nagod Darbar have no objection in receiving supply of opium either from Ghazipur or elsewhere, if considered expedient by the Excise Commissioner for Central India.

(viii) No poppy cultivation is carried on here.

II. (i) Opium is generally used in the same condition as it is sold except when it is used for medicinal purposes. As a medicine it may be diluted with water and mixed up with other medicines. It is used both as medicine as well as intoxicant. No special occasion is fixed for its use, except at the time of epidemic when its use increases to some extent. The average consumption is 1 maund and 17 seers including 15 seers for children and from 10 to 12 seers for medicinal purposes as the case may be and the rest for intoxicants.

(ii) In the form of Balls.

(iii) No chemical composition of opium is prepared here.

(iv) The consumption may be decreased by increasing the selling price gradually.

The consumers will raise hue and cry at every rise in price which would subside in due course. In the event of its use being totally discontinued for intoxicant purposes (presumably after the present generation of users say after about 30 years), the Revenue under this head would go down to that extent.

III. The State purchases about 2 maunds of opium costing about Rs. 1,200 yearly and keeps it in the treasury under Excise control. The present stock of opium in Nagod State is 1 maund 34 seers 12 chts.

IV. *Nil.*

V. If the opium from Ghazipur be supplied cheaper and of better quality, there is nothing objectionable in getting the supply from there or elsewhere as may be advised by the Excise Commissioner for Central India. The Railway charges from Ghazipur will be less than that from Indore.

VI. The supply from Ghazipur to the States and discontinuance of cultivation in the States and thereby increasing the selling price to a limited rate in all the adjoining States and Districts will no doubt save the smuggling and cause reduction in the consumption without appreciably affecting the revenue.

VII. *Nil.*

Statement showing the consumption of opium during the following years and also the revenue from duty, license fee, the W. H. rate and retail selling price.

Names of years.	Consumption.				Duty.			License fee.			Supplying rate per seer from the W. House.			Retail selling rate per seer.		
	Md.	S.	Chhk.	Tola.	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.
1923-24	1	11	7	$1\frac{25}{62}$	1,071	13	8	868	0	0	33	8	0	50	0	0
											40	0	0	60	0	0
1924-25	1	15	0	$1\frac{1}{16}$	1,402	6	9	885	6	0	40	0	0	60	0	0
1925-26	1	21	11	$4\frac{7}{32}$	1,777	12	3	919	11	4	40	0	0	60	0	0
											45	0	0			
1926-27	1	19	12	$4\frac{1}{4}$	1,943	0	9	1,123	4	2	45	0	0	70	0	0
1927-28	1	10	1	$3\frac{15}{16}$	1,901	13	10	1,071	4	0	50	0	0	75	0	0
														80	0	0
Average	1	15	10	$\frac{9}{80}$	1,619	6	2	973	8	3	......			......		

REPORT FOR THE NARSINGHGARH STATE.

Rao Sahib Pandit NAGESH ABAJI KATHAVATE, Judicial Member of the State Council, is the Committee Member representing the State.

A Note containing the information required on the Terms of Reference, supplied by Rao Sahib Kathavate on behalf of the Darbar, is recorded by the Committee as an accompaniment to this Report.

Poppy cultivation in the State is confined to the production of opium for internal consumption, and has averaged in the last two years only 78 acres annually. There are no stocks of opium in the hands of merchants or private persons. The Darbar hold stocks of 131 maunds, which are stored in the State warehouse. The Committee's discussion has been mainly concerned with the following three points of importance, in regard to which the Committee unanimously records the conclusions given below:—

1. The President explained that a scheme is under discussion having for its object the purchase and storage in godowns in a central position of all stocks of old opium at present in the possession of merchants and private persons in Central India and Rajputana. These stocks are roughly estimated at 25,000 to 30,000 maunds, and the object of the scheme is to enable them to be placed immediately under control and to be passed into consumption as quickly as possible The assistance required in this connection from the State would be limited to an agreement to purchase from the stocks so collected the opium that may be required from time to time for its internal consumption.

The consumption in the Narsinghgarh State has averaged in the last five years 33 maunds 22 seers annually, representing in the population of 101,426 a consumption of 132 3 seers per 10,000.

The Narsinghgarh Darbar are prepared to assist the scheme outlined above, should it be brought into operation, by discontinuing opium production in the State and by purchasing from the central stocks the opium required for internal consumption in the State as soon as the stocks in possession of the Darbar are exhausted, provided—

(1) that the inherent right of the State to produce opium is retained in all circumstances, and may be exercised at any time if, in the Darbar's opinion, cultivation in a neighbouring State is likely to cause the smuggling of opium into Narsinghgarh territory;

(2) that the opium is of good quality and meets the taste of consumers in the State;

(3) that the authority by which the old stocks are bought and resold to the States makes no profit on the transaction, the price charged being arranged so as merely to cover expenses;

(4) that the price is not greater than the cost to the State of producing its own opium by cultivation.

2. It is estimated that a period of something like 10 years must elapse before the stocks of old opium will have passed into consumption. After that period the question will arise as to the means by which the States shall obtain the opium required for their internal consumption. In this connection the Government of India have suggested that States should receive their supply of opium at cost price from the Ghazipur Factory. The President stated that the present cost of opium from the Factory is Rs. 26 per seer. This is considerably greater than the present cost of opium obtained in Central India and Rajputana. It is hoped, however, that the cost of Ghazipur opium will be reduced, when the present large accumulations of stocks at the Factory have been diminished. Moreover the present price of opium in Central India and Rajputana is artificially low, being governed by the fact that there are very large stocks of opium and only a small market available for those stocks. Consequently there must in any case be an increase in the cost price of opium in Central India and Rajputana after the present stocks of old opium have ceased to exist. It is anticipated, therefore, that the disparity in price between the cost of Ghazipur opium and the cost of opium in Central India and Rajputana will be much less at the end of about 10 years than it is at present.

The Narsinghgarh Darbar will be prepared to take opium from the Ghazipur Factory, after the old stocks of opium in Central India and Rajputana have been exhausted, provided—

(1) that the inherent right of the State to produce opium is retained as stated in condition (1) of paragraph (1) above;

(2) that the opium is supplied by Government at cost price, no profit being made by Government on the transaction;

(3) that the opium meets the taste of consumers in the State;

(4) that the price of the opium will be such that the margin of taxation available to the State, represented by the difference between the cost of the opium and the warehouse rate then in force, will not be less than the State's present margin of taxation, which is approximately Rs. 18.

3. The third question discussed was the possibility of enhancing taxation upon opium in the State and the probable financial effect of such a policy.

The present annual consumption in the State averages 33 maunds 22 seers representing 132·3 seers per 10,000 of population. The State realises by taxation approximately Rs. 18 per seer in the shape of duty and Rs. 7 per seer in the shape of license fee, the total revenue from opium averaging Rs. 27,712 annually. The retail selling rate at present is Rs. 35 per seer.

The Narsinghgarh Darbar are not prepared at present to bind themselves to raise the selling rate of opium to the level obtaining in British India, having regard to the habits of the people and their economic condition, but they are ready to enhance the present selling rate, subject to the following conditions —

(1) that the enhancement is carried out by gradual stages,
(2) that the same price is enforced in all the neighbouring States,
(3) that the Darbar are satisfied that the price is not so high as to cause undue hardship to legitimate consumers

If it were possible in this way to raise the selling price ultimately to Rs 100 per seer, and assuming that the State's profit from taxation were then Rs 70 per seer and that in consequence of the increase in price the average consumption were to fall to 40 seers per 10,000 or about 406 seers annually sold in the State shops, the Darbar's revenue from opium taxation would then be Rs 28,420 compared with the present annual revenue of Rs 27,712

J A POPE, *President*
AZIZUDDIN AHMED, }
G S HENDERSON, } *Members*
N A KATHAVATE, }

Dated Indore, the 10th April 1928

Accompaniment to Narsinghgarh State Report.

A Short Note on the Terms of Reference

(1) AGRICULTURE

(*a*) *The extent to which poppy is cultivated in each State*

Statement attached

(*b*) *The quality and nature of the lands on which it is cultivated and the amount of irrigation required and the nature of the arrangements for such irrigation*

Statement attached

(*c*) *The liability of the yield of the crop to fluctuate owing to seasonal conditions*

This is shown in the remarks column of Statement No 1 (i) (*a*)

(*d*) *The advantages or disadvantages of cultivating poppy as compared with other crops from the point of view of the cultivator*

Statement attached

(e) *The possibility of substituting other crops for poppy and and the effect on the cultivator of such substitution.*

It is very difficult to find a suitable substitute for poppy. The comparative statement in (*d*) shows this. Sugarcane can be a good substitute, but it is not possible to find for all lands suitable means of irrigation during the hot months and this crop takes a whole year before the cultivator can get anything out of it. Expenses regarding sugarcane are heavier than poppy. Cotton is an uncertain substitute and is an unirrigated crop, and it is not so paying to the cultivator as opium whether irrigated or unirrigated.

(2) FINANCIAL.

(i) *The average revenue derived by the State from opium under the following heads:—*

(a) *Land revenue, distinguishing revenue from land cultivated with poppy for supply to the Government of India, that from land cultivated with poppy for supply to other States and that from land cultivated with opium for internal consumption.*

No poppy is cultivated in this State for supplying opium to the Government of India or to other States. Poppy is cultivated solely for internal consumption. The average of the last 5 years from land cultivated with opium for internal consumption is Rs. 2,664. The assessment of land revenue in this State is based on the depth and the quality of the soil and not on the nature of the crop, so if opium is substituted by other crops there is no likelihood of any change in the assessment except in the long run, but the cultivator will be a loser and the State is bound to take that into consideration and will be indirectly affected by it.

(b) *Revenue other than land revenue derived from internal consumption.*

The State purchases opium at the rate of Rs. 8 per seer from the cultivator. The cost of manufacture including dryage in the godown comes to Rs. 2-8 per seer. It is sold to retail vendors from the State godown at Rs. 12 per seer and Rs. 18 per seer are charged as duty.

The retail vendors sell at Rs. 35 per seer. The license fee for retail vend is based on this difference of Rs. 5 per seer. A statement showing the revenue other than land revenue derived from opium is attached.

(c) *Revenue other than land revenue derived from export to other States.*

Nil.

(d) Revenue other than land revenue derived from sale to the Government of India.

Nil.

(e) Any other form of revenue.

Poppy seed (दाना), Garlic (लहसन) Dhana and barley are also sown along with opium and Sayar dues are realised on the export of these articles, but no separate figures are available as these articles are sown as separate crops also.

(ii) The proportion that the total revenue of all kinds from opium bears to the total revenue of the State.

The average total revenue from opium for the last 3 years is Rs. 44,480 and the total income of the State is Rs. 8,37,590 which gives a proportion of ·053 to the total revenue.

Year.	State revenue.	Opium revenue.
	Rs.	Rs.
1924-25	8,28,448	43,403
1925-26	8,51,039	46,480
1926-27	8,33,283	43,555
Total .	25,12,770	1,33,438
Average	8,37,590	44,480

(iii) Expenditure upon the regulation and control of th cultivation, manufacture and distribution of opiun and the nature of the arrangements for such control

Statement is attached.

(iv) Loss of revenue to the State due to illicit practices i areas where opium is cultivated.

No accurate figures are available for this, but a comparison c the consumption of opium in a pergana where opium is cultivate with a pergana in which opium is not cultivated gives some dat for calculating the probable loss due to illicit practices. Consum tion of opium in pergana Khujnere where opium is sown with population of 19,768 is 152 seers per year, while in pergan Chhapihera where opium is not sown with a population of 20,15 consumption amounts to 226 seers. Comparing the two, the co sumption in Khujnere pergana is about 67 seers less than Chhap hera pergana. Calculating a duty of Rs. 18 per seer and Rs. 5 f license fee, the probable loss due to smuggling comes to abo Rs. 1,500 per year.

(v) Loss of revenue due to smuggling of opium from ou side the State.

No such smuggling has come to light hence no loss. The rat prevailing in neighbouring States are the same, so there is likelihood of

(*vi*) *The present cost and selling price of opium, the possibility of gradually raising the latter and the effect upon the State's finances of such a policy.*

Present cost price inclusive of dryage and manufacture is Rs. 10-8 per seer, the present selling price is Rs. 35 per seer. Consumption decreases as the price is gradually raised and does not immediately affect the revenue, but after a certain level has been reached it is sure in the long run affect the revenue of the State.

The rate can be raised to Rs. 40 a seer, but not above it without causing hardship to the consuming population and corresponding loss to the State.

(*vii*) *The present sources of supply and the possibility of meeting the demand in the first instance from stocks held in the States under consideration taken as whole, and ultimately from Ghazipur, with special reference to the financial results of such a policy, so far as these do not fall under any of the heads mentioned above.*

The stock of opium in the State godown on 1st January 1928 was 131 maunds 3 seers 14 chh. The price of which calculated at the rate of Rs. 8 per seer comes to Rs. 41,951.

Total dryage on this would probably amount to about 24 maunds 6 seers during the next five years, the value of which would come to Rs. 7,728. Interest on this at the rate of Rs. 6 per cent. per annum would come to Rs. 2,510.

Manufacture would cost Rs. 1,375 and supervision would cost Rs. 1,057, total cost would be Rs. 54,621. This stock would serve the State for about 5 years. As the rate at which Ghazipur opium would be imported in the State is not known and is uncertain, the loss to the State on account of the change cannot be calculated.

(*viii*) *Effect of discontinuance of cultivation of poppy on States that cultivate only for the Government of India and what steps if any can be taken to meet the same.*

Nil.

II. *Consumption in the State.*—(*i*) *The manner in which opium is used, the purpose for and occasions on which it is used and the extent to which it is used and, in particular, to which it is administered to children.*

As Malwa climate is damp, people are in the habit of using opium to avoid its bad effect. People often use it in old age as it is supposed to make them fit for sustained work and remove depression. Labouring classes often administer it to their children in

mall quantities just to keep them safe from climatic effects and o keep the children quiet and asleep while they attend to their ork

Rajputs and Jagirdars use opium on the occasion of marriages, eaths and feasts, etc It is supposed to be a cure for diarrhœa nd cough Opium is used in the form of small pills, the quantity of which varies with each consumer

It is given to children after covering with ashes, so as to minimise the bitter taste

Rajput Jagirdars use it in liquid forms which they call kasuma A few people also smoke it, but in secret

(ii) *The forms (ball, biscuit, etc) in which opium is used in the State*

In the State the opium is used in the form of biscuits (tablets) of 5 tolas each

(iii) *The chemical composition of opium when prepared for consumption in the manner prevalent in the State and its physiological effects upon the consumers when so consumed*

So far as is known opium is mixed with fried leaves of Gumacacia (Babul) for smoking and with the ashes of cowdung akes for drinking It is not possible to know without laboratory arrangements what chemical changes are brought about by these additions nor can it be known what physiological effect is produced upon the consumers by these additions

(iv) *The possibility and desirability of effecting a substantial reduction in the amount of opium consumed in the State, the means (increase of selling price or otherwise) by which this could be effected and the financial or other obstacles to such reduction in so far as these have not been dealt with under any of the heads above*

The most obvious and the most practicable way of reducing the consumption of opium is raising its sale price, but gradually and up to a certain limit If it is done all of a sudden or beyond that level the immediate result will be to encourage smuggling and other illicit processes Reducing the number of shops and restricting the time of sale are also useful measures, but they only touch the fringe of the evil and do not go to the root of it The other really useful measure is spread of education and propaganda on the right lines The widely prevailing idea that opium in small doses is necessary for the health of children and for the health of the grown up people in Malwa has to be combated and eradicated Social reform should be specially directed towards stopping the

customary use of opium in connection with ordinary domestic events such as marriage and funerals, etc. Consumption in Malwa is high and its reduction is certainly desirable.

III. *Stocks of opium in the State.—Their quantity, by whom they are held, their value, the extent to which they are already under State control and how best they could be disposed of.*

No private individual or firm has any stock of opium in the State. State alone has a stock of opium. It is for the internal consumption of the State only. The quantity at present in-stock is about 131 maunds. In deference to the policy of the Government of India and orders received in recent years the Council of Regency has already ordered a gradual reduction in the area sown with opium, so as to stop it altogether in the year 1930, *i.e.*, after 2 years. During this period about 12 maunds more of opium would be added to the stock. The best and most convenient way to dispose of the stock is consumption within the State. The whole management is under strict State control.

IV.—*Smuggling out of the State.—Its causes and prevalence, the preventive agencies in existence, their present effectiveness and the possibilities of their improvement.*

There is very little chance of the opium being smuggled out of the State because the rate in the surrounding States is the same and the quality also is quite similar.

Excise and Sāyar department helped by the Police and the Revenue department does the work of supervising the smuggling of opium out of the State. So far no cases have been found. Rewards are given to informers.

V. *Purchase from Ghazipur.—The advisability and practicability of the purchase of opium by the States from Ghazipur at cost price. How far the inhabitants of the State would be prepared to consume Ghazipur opium and whether Ghazipur could produce opium suited to their taste and needs.*

People here habitually take Malwa opium only and very few have any experience of Ghazipur opium from other places. Those who have occasionally used Ghazipur opium did not like and regard it as weak and of poor quality. Ghazipur opium has never been imported into the State, so it is not possible to say how far people in general would like it, and be prepared to use it. The question of importing it would arise after the stock in the State is exhausted. What the cost price at that time would be one cannot say at present. The advisability and practicability of importing it would depend chiefly on the cost price at that time and the taste of the people.

VI.—*The policy suggested by the Government of India.—The advisability and practicability of adopting the policy suggested by the Government of India, namely the discontinuance of cultivation in the States, the purchase of opium by the States from Ghazipur at cost price and the adoption by the States of the policy of maximum revenue from minimum consumption so as, ultimately, to raise the selling price to a level with that in the adjoining British districts, thereby removing the incentive to smuggling and reducing consumption.*

The policy suggested by the Government of India seems to be quite sound from a theoretical point of view provided some means are found and are adopted for compensating the financial loss which it would cause to opium producing States and to the cultivator. On the other hand perhaps it will be better to allow the States to grow opium for their internal consumption only and no more, on the condition that the selling price is regulated by the Government of India with a view to keep it at a uniform level in the States as well as in British India. With strict supervision and control this would minimise the chances of smuggling and other illicit practices.

VII. *General.—Any other subjects relevant to the matters mentioned above.*

During the period of minority administration the Council of Regency feels that it would not be justified to agree to any arrangement which would bind the minor Chief and would debar the State from exercising its right of cultivating a certain crop within its own territory.

Statement showing the area and output of opium from 1905 to 1926-27.—1 (i) (a) and (c).

No.	Name of year.	Area in acres.	Output.	Average per acre.	Remarks.	
			Mds. S. Chhk.	Seers. Chhk.		
1	1905-6	2252	......	...	570 Maunds	Export for these years is entered as no record for out-turn could be available.
2	1906-7	2252	......	...	999 „	
3	1907-8	3539	......	...	959 „	
4	1908-9	2749	......	...	868 „	
5	1909-10	2460	......	...	890 „	

Statement showing the area and output of opium from 1905 to 1926-27.—1 (*i*) (*a*) and (*c*).—contd.

No.	Name of year.	Area in acres.	Output.			Average per acre.		Remarks.
			Mds.	S.	Chhk.	Seers.	Chhk.	
6	1910-11 .	3066	......			...		88 Maunds { Purchased for State godown.
7	1911-12 .	1772	......			...		
8	1912-13 .	945	39	26	0	5	15	
9	1913-14 .	285	44	2	5	6	3	
10	1914-15 .	253	34	30	5	5	15	
11	1915-16 .	222	7	34	14	1	7	Due to shortage of rain.
12	1916-17 .	509	34	38	11	2	12	Damaged on account of hailstone.
13	1917 18 .	533	40	19	10	3	0	Ditto.
14	1918-19 .	865	79	24	6	3	10	
15	1919-20 .	999	85	19	5	3	7	
16	1920-21 .	994	181	25	4	7	5	
17	1921-22 .	621	105	37	6	6	13	
18	1922-23 .	265	49	25	2	7	8	
19	1923-24 .	276	40	25	10	5	14	
20	1924-25 .	244	43	21	7	7	2	
21	1925-26 .	80	11	32	1	5	14	
22	1926-27 .	75	20	18	7	10	15	

Statement showing the quality and the nature of the soil in which opium is sown.

I. (i) (b).

Quality of soil.	Number of waterings required.
(I) Black soil No 2, Bhoomar Nos. 1 and 2, Kalmat Nos 1 and 2 and occasionally Patlon are used for sowing opium. (a) Black No 2 is that soil which is deep and black in colour, but there are small sandy stones and some lime stone mixed with it on account of which damp in the soil continues for a long time. After it is dried cracks appear in this soil and the lumps of clay. (b) Bhoomar No. 1 is a deep soil and is of a bownish colour. After being dried the earth in it does not grow into lumps, but is reduced to atoms Some sand and small pebbles are found in it. (c) Bhoomar No. 2 sand and small pebbles are greater than Bhoomar No. 1, but the depth is less. (d) Kalmat No. 1 is that soil which on the face of it is black. Below there is generally rock. The depth of it is 1½ and 2 feet (e) Kalmat No. 2 is that soil which is less than 1½ foot and more than 1 foot. In other respect it resembles Kalmat No. 1. (f) Patlon is a light soil which is black and yellowish on the surface. Its depth is less than a foot.	Nine waterings are generally required This is done from wells One pair of bullocks a leather bucket (charas) and two men are required to do this work.

Statement showing the customs export duty levied on products and cattle.

II. 1 (i) (d).

No.	Products.	Export duty. Rs.	A.	P.	Remarks.
1	Cow	5	0	0	Per head.
2	Oxen	5	0	0	Per head.
3	Other cattle	2	0	0	Rs. 2 per head lattha and 6 pies per rupee sayar dues on price.
4	Juwar	0	1	3	Per maund.
5	Moong	0	1	3	Per maund.
6	Tuar	0	1	3	Per maund.
7	Makka	0	1	3	Per maund.
8	Urad	0	1	3	Per maund.
9	Cotton	0	5	0	Per maund.
10	Ginned cotton	0	12	0	Per maund.

Statement showing the customs export duty levied on products and cattle—contd.

II. 1 (*i*) (*d*)—*contd.*

No.	Products.	Export duty. Rs.	A.	P.	Remarks.
11.	Chilli	0	8	0	Per maund.
12.	Piyaz (onion)	0	5	0	
13.	Lahsun (Garlic)	0	5	0	
14.	Dhana	0	7	0	
15.	Gur	0	8	0	
16.	Wheat	0	1	6	
17.	Gram	0	1	6	
18.	Alsi Tilli Rameli, etc.	0	4	0	
19.	Mongphali	0	6	0	
20.	Tobacco	0	8	0	
21.	Methi dana	0	5	0	

Statement showing the average income of land revenue derived from Opium.

In reply to question I. 2 (*i*) (*a*).

Revenue derived from opium sown for Government of India.	Revenue derived from opium sown for other States.	Average revenue of 5 years for land sown with opium for the use of State.	Loss to the State if poppy were substituted by other crops.	Remarsk.
Nil	*Nil*	Rs. 2,664. The details of the above average are given below :— 1922-23—3,679 1923-24—3,884 1924-25 - 3,551 1925-26—1,145 1926-27—1,060 13,319	*Nil*	Land is assessed in this State on the basis of the depth and the quality of the soils as well as of the sources of irrigation and is not assessed on the nature of the crop and the profits.

Statement showing the consumption and revenue other than land revenue derived from opium from 1924-25 to 1926-27

In reply to question I 2 (*i*) (*b*)

No	Years	License fee	Duty	Total	Price of opium	Grand total	Consumption
		Rs a p	Rs a p	Rs a p	Rs a p	Rs. a p	Mds. s ch
1	1924 25	6 614 1 6	19 777 8 0	26 391 9 6	17 011 8 0	43 403 1 6	34 5 8
2	1925 26	6,911 11 11	21,037 8 0	27 949 3 11	18 531 0 0	46,480 3 11	36 30 8
3	1926 27	8 302 0 0	20,495 0 3	28,797 0 3	14,758 4 0	43,555 4 3	29 16 1

Statement showing the officers, clerks and menials, their pay and functions, contingency and other expenses of Customs and Excise Department, Narsingarh.

I. 2 (*iii*).

Number.	Officers, clerks and menials.	Functions.	Pay yearly.	Proportion chargeable to opium.
			Rs.	
1	Chief Excise and Customs officer.	General supervision of both Customs and Excise . . .	1,560	343·6
2	Clerks, 4 . . .	Ditto . .	1,044	229·9
3	Peons, 3 . . .	Ditto . .	252	55·5
	Total .	......	2,856	629
1	Circle Inspectors, 4 .	Supervision of Customs and Excise both .	1,608	354·2
2	Peons, 4 . . .	Ditto . .	336	74
	Total .	......	1,944	428
	Opium Godown.			
	Inspector . . .	Manufacturing staff .	312	312
	Clerk, 1 . . .	Ditto . .	144	144
	Peons, 2 . . .	Ditto . .	168	168
	Coolies, 6 . . .	Ditto . .	516	516
	Total .	......	1,140	1,140
1	Contingencies and cartage	......	205	205
2	Printing . . .	......	30	30
	Total .	......	235	235
		GRAND TOTAL .	6,175	2,432

Statement showing the rate, consumption and income from opium from 1915-16 to 1926-27.

II. (*vi*).

Number.	Year.	Retail sale rate per seer.	Consumption.			Income.		
		Rs	Mds.	Srs.	Chs.	Rs.	A	P.
1	1915-16	16	70	28	0	19,116	12	6
2	1916-17	20	55	37	0	20,283	9	4
3	1917-18	20	61	12	0	28,754	4	7
4	1918-19	25	76	30	0	26,309	4	8
5	1919-20	25	68	34	4	35,076	13	7
6	1920-21	30	40	13	8	27,869	14	0
7	1921-22	30	40	28	12	29,257	8	0
8	1922-23	30	34	16	8	24,689	4	0
9	1923-24	30	33	3	8½	26,113	15	9
10	1924-25	30	34	5	8	26,391	9	6
11	1925-26	30	36	30	8	27,949	3	11
12	1926-27	35	29	16	1	28,797	0	3

Statement showing the expenditure on and income from opium and other products irrigated and unirrigated.

I. (*i*) (*d*).

No.	Description of the Crop.	EXPENDITURE PER ACRE.											INCOME.				Profit.	REMARKS.
		Cost of preparing soil.	Cost of manure.	Cost of seed.	Cost of sowing.	Cost of watering.	Cost of weeding.	Cost of Lancing and gathering.	Cost of fodder.	Other expenses.	Average assessment of land.	Total expenses.	Average outturn.	Rate.	Income.	Total.		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Opium and bye products.	Rs.	Rs.	Rs.	Rs.	
1	Makka followed by opium.	8	4	3	...	28	16	20	...	7	13	99	Opium-16 seers.	8	80	165	66	Opium crops require 5 months to mature.
													Opium seed-4 mds.	8 per md.	32			
													Dhana-30 seers	1 per 5 srs.	6			
													Lahsun-3 mds.	5 per md.	15			
													Zira-16 seers.	2 per seer.	8			
													Makka-12 mds.	2 per md.	24			
															165			
2	Sugarcane	10	4	40	2	60	10	50	...	7	13	196	Gur-40 mds.	7 per md.	280	280	84	Sugarcane requires full 12 months.
3	Makka followed by wheat irrigated.	3	4	4	1	15	5	8	...	3	13	56	Makka-6 mds.	2 per md.	12	77	21	Wheat requires 6 months but the income is less than opium.
													Wheat-13 mds.	5 per md.	65			
															77			
4	Wheat unirrigated	2	...	8	1	...	...	4	1	3	13	32	Wheat-6 mds. 10 seers.	5 per md.	32	33	1	Takes 6 months.
													Bhusa (Fodder)		1			
															33			
5	Cotton unirrigated	2	...	1	1	...	9	8	...	...	13	34	Cotton-6 mds. 16 seers.	8-12 p. md.	56	56	22	Takes 6 months.

NOTE:—1. No substitute has yet been found for opium which would equal it in early outturn and income.
2. In the expenditure on opium and irrigated wheat crop Rs. 10 are included for the cost of Makka sown before opium and wheat respectively.

Statement showing the annual average consumption and income of opium, Narsinghgarh State.

No	Years	Consumption of Opium: Total Consumption	Consumption of Opium: Consumption of Jagir on concession rate	Consumption of Opium: Consumption of State retail shops	Income of Opium: Duty: Rate per seer	Income of Opium: Duty: Amount	Income of Opium: License: Amount	Income of Opium: License: Rate per seer	Income of Opium: Total: Amount	Income of Opium: Total: Rate per seer	Remarks
		Mds Srs Chh	Mds Srs Chh	Mds Srs Chh	Rs As P	Rs As P	Rs As P	Rs As P	Rs As P	Rs As P	
1	1922 23	34 16 8	1 25 8	32 31 0	15 0 0	19 570 8 0	5 118 12 0	3 14 10	24 689 4 0	18 14 10	
2	1923-24	33 3 8	1 28 8	31 17 0	15 0 0	18 855 0 0	7,258 15 9	5 12 5	26 113 15 9	20 12 5	
3	1924 25	34 5 8	1 6 8	32 39 0	15 0 0	19,777 8 0	6 614 1 6	5 0 0	26 391 9 6	20 0 0	
4	1925 26	36 30 8	1 27 8	35 3 0	15 0 0	21 037 8 0	6,911 11 11	4 14 9	27 949 3 11	19 14 9	
5	1926-27	29 16 1	0 36 0	28 20 1	18 0 0	20,495 0 3	8 302 0 0	7 5 3	28 797 0 3	25 5 3	
	Total	167 32 1	7 2 0	160 30 1	78 0 0	99,735 8 3	34 205 9 2	26 15 3	1,33 941 1 5	104 15 3	
	Annual average	33 22 6	1 16 6	32 6 0	15 9 7	19,947 1 8	6 841 1 10	5 6 3	26,788 3 6	About Rs 21	

Note —1 The average of consumption is 33 mds 22 srs on the total consumption of 5 years
2. The average of income is Rs 27 712 on the total income of 3 years
3 Rs 18 the rate of duty and Rs 7 the rate of license are only for the year 1926 27 while in other years the rate of duty is Rs 15 and the rate of license is about Rs 5

REPORT FOR THE ORCHHA STATE.

Khan Bahadur SYED ASGAR ALI, Madar-ul-Moham, Orchha State, is the Committee Member representing the State.

A Note containing the information required on the Terms of Reference, supplied by Khan Bahadur Syed Asgar Ali on behalf of the Darbar, is recorded by the Committee as an accompaniment to this Report.

There is no poppy cultivation in the State, and the Darbar, while reserving the inherent right of opium production in the State, have no present intention of permitting cultivation. There are no stocks of opium in the hands of merchants or private persons. The Committee's discussion has therefore been mainly concerned with the following three points of importance, in regard to which the Committee unanimously records the conclusions given below:—

1. The President explained that a scheme is under discussion having for its object the purchase and storage in godowns in a central position of all stocks of old opium at present in the possession of merchants and private persons in Central India and Rajputana. These stocks are roughly estimated at 25,000 to 30,000 maunds, and the object of the scheme is to enable them to be placed immediately under control and to be passed into consumption as quickly as possible.

The consumption in the Orchha State was 4 maunds 10 seers in 1926-27 representing in the population of 284,948 a consumption of 6 seers per 10,000.

The Orchha Darbar are prepared to assist the scheme outlined above, should it be brought into operation, by purchasing from the central stocks the opium required for internal consumption in the State, provided—

(1) that the opium is of good quality; and

(2) that the arrangement will not cause the Darbar's revenue from opium to fall below the present figure.

2. The Committee then discussed the suggestion of the Government of India that the States should, after the stocks of old opium are exhausted, obtain their supplies of opium from the Ghazipur Factory.

The Orchha Darbar will be prepared to take opium from the Ghazipur Factory, after the old stocks of opium in Central India and Rajputana have been exhausted, provided that the two conditions specified under paragraph 1 above are fulfilled.

3. The third question discussed was the possibility of enhancing the selling price of opium in the State.

The consumption in the State in 1926-27 was 4 maunds 10 seers. The State realised by taxation in that year approximately Rs. 34 per seer in the shape of duty and profit and Rs. 25 per

seer in the shape of license fee, the total revenue from opium amounting to approximately Rs. 10,000. The retail selling rate is not fixed, but is stated to be approximately Rs. 100 per seer.

The Orchha Darbar are prepared to raise the selling rate of opium in the State to a degree corresponding as nearly as possible with that in force in British India, provided—

(1) that the enhancement is carried out by gradual stages; and

(2) that the same price is enforced in all the neighbouring States.

J. A. POPE, *President.*
AZIZUDDIN AHMED, } *Members.*
G. S. HENDERSON, }
SYED ASGAR ALI, }

Dated Nowgong, the 19th March 1928.

Accompaniment to Orchha State Report.

Information furnished to the Indian States' Opium Committee in respect of the terms of reference from Orchha State (C. I.).

I. 1. (*a*) to (*e*) *Nil*, as no opium is produced in this State.

2. (*i*) (*a*) *Nil*, as no opium is produced in this State.

(*b*) Rs. 11,957 in the year July 1926 to June 1927.

(*c*) *Nil.*

(*d*) *Nil.*

(*e*) *Nil.*

(*ii*) About 10/996.

(*iii*) *Nil.*

(*iv*) *Nil.*

(*v*) *Nil.*

(*vi*) The cost price is about Rs. 12 per seer. The selling price from the State Warehouse to the contractors is Rs. 50 per seer and the usual sale price to the consumers charged by the contractors is about Rs. 100 per seer.

(*vii*) Opium is imported into this State through the Excise Commissioner in Central India from Central India. It is not known from what place such opium is supplied.

(*viii*) *Nil.*

II. (*i*) Opium is eaten and smoken. It is mostly used for intoxication and very seldom as medicine. Those who are accustomed to use opium for intoxication use it at their pleasure usually

at the rate of 11/48 tola per diem. 1/384 or ¼ rati opium is usually administered to children in a day.

(*ii*) Ball opium is used in this State.

(*iii*) Those who eat opium take it neat, but those who smoke it mix it with hask and Bamura leaves. Those who use opium for intoxication are generally weak and lean.

(*iv*) The more the consumption of opium is reduced the better. During the last two years the selling price of opium was raised to the effect that there was great reduction in the consumption of opium, but the revenue of the State derived from opium fell greatly; hence further increase in the selling price appears hardly justifiable.

III. Opium is not produced in this State, but is supplied by Import. It is at first received in the State Godown at Tikamgarh and thence supplied to the retail vendors. Usually 140 pounds of opium is imported at a time.

IV. *Nil.*

V. Nothing is known here about Gazipur Opium.

VI. There can be no objection in purchasing Gazipur Opium, if it does not cost more than at present and the opium is also not inferior in quality. This State even now adopts the policy of maximum revenue from minimum consumption and the selling price to the consumers is generally the same as in the adjoining British districts.

VII. *Nil.*

Information required with reference to opium arrangements in the Orchha State.

In answer to the Terms of Reference, paragraph I (2) (*b*) the State's revenue from opium taxation is said to be Rs. 11,957; but in the statement of duty and license fee the total revenue is Rs. 1,704 + Rs. 4,284 license fee, or Rs. 5,988. Which figure is correct?

2. In the Statement duty is shown at the rate of Rs. 10 per seer (Rs. 1,704 on 4 maunds 10 seers 6 chattaks). But in answer to the Terms of Reference paragraph I (2) (*vi*) it is said that the cost price is Rs. 12 per seer and the issue price Rs. 50, leaving a balance of profit or duty of Rs. 38 per seer. What is the correct revenue from duty?

3. It is said that the usual sale price to the consumers is Rs. 100 per seer. Is this price fixed by the Darbar, or by the contractor?

4. Is opium purchased and imported by the Darbar, or by the contractor?

5. Is the license fee of Rs. 4,284 the fee paid for opium shops only, or does it include also hemp drugs shops?

With the compliments of the Madarul Muham, Orchha State.

In reply to the Terms of Reference, paragraph I (2) (b), the figure of State's Revenue from opium taxations given was Rs 11,957 which is correct, its details being as follows:—

	Rs
(1) Price of opium consumed	1,956
(2) Duty ,, ,, ,,	1,704
(3) Profit ,, ,, ,,	4,013
(4) License fee ,,	4,284
Total	11,957

Out of this if Rs. 1,956 (cost price of opium) may be deducted the net revenue to the State in the year 1926-27 remains Rs. 10,001. But as only the figures of License fee and Duty were asked in the telegram of 13th instant figures of License fee and the Duty at the rate of Rs. 10 per seer current in the State were shown in the statement referred which are also quite correct.

2. The Duty is calculated in the State at the rate of Rs. 10 per seer leaving a profit of Rs. 28 per seer. Thus the correct revenue from Duty is Rs. 1,704 while Rs. 4.013 as detailed above is calculated as profit to the State in addition to Duty.

3 Retail price is not fixed by the State. It is fixed by the Retail Contractor.

4 *Opium is imported by the Darbar and not by the contractor.*

5. The license fee of Rs. 4,284 is the fee paid for opium shops only, it does not include fee for hemp drugs shops.

6 Nature of informations required show that the Opium Committee requires net opium revenue of the State hence another Statement showing the same is attached to this.

Statement showing the sale of 'opium' with 'Duty' and 'Profit' and 'License Fee' from 1st July 1922 to 30th June 1927 as per Durbar order No. 920, dated the 14th March 1928.

Year.	Opium sold during the year			License fee	Duty	Profit	Total.
	Mds	Srs	Chh	Rs	Rs	Rs	Rs.
From 1st July 1922 to 30th June 1923	6	24	10½	3,520	2,647	1,976	8,143
From 1st July 1923 to 30th June 1924	5	24	5	3,584	2,243	3,335	9,162
From 1st July 1924 to 30th June 1925	6	9	2	3 562	2,491	4,086	10 139
From 1st July 1925 to 30th June 1926.	5	15	14½	4,012	2,159	4,306	10,477
From 1st July 1926 to 30th June 1927	4	10	6	4 284	1,704	4,013	10 001

REPORT FOR THE PANNA STATE.

Mr. MORARJI ANANDJI TANA, B.A., LL.B., Diwan of Panna, is the Committee Member representing the State.

A Note containing the information required on the Terms of Reference, supplied by the Diwan of Panna on behalf of the Darbar, is recorded by the Committee as an accompaniment to this Report.

There is no poppy cultivation in the State, and the Darbar, while reserving the inherent right of opium production, have no present intention of permitting cultivation. There are no stocks of opium in the hands of merchants or private persons. The Committee's discussion has therefore been mainly concerned with the following three points of importance, in regard to which the Committee unanimously records the conclusions given below:—

1. The President explained that a scheme is under discussion having for its object the purchase and storage in godowns in a central position of all stocks of old opium at present in the possession of merchants and private persons in Central India and Rajputana. These stocks are roughly estimated at 25,000 to 30,000 maunds, and the object of the scheme is to enable them to be placed immediately under control and to be passed into consumption as quickly as possible.

The consumption in the Panna State was 2 maunds 6 seers in 1926-27, representing in the population of 197,600 a consumption of 4·4 seers per 10,000.

The Panna Darbar are prepared to assist the scheme outlined above, should it be brought into operation, by purchasing from the central stocks the opium required for internal consumption in the State, provided

(1) that the opium is of good quality; and

(2) that the price of the opium is not greatly in excess of the cost of any alternative source of supply, including cultivation in the State.

2. The Committee then discussed the suggestion of the Government of India that the States should, after the stocks of old opium are exhausted, obtain their supplies of opium from the Ghazipur Factory.

The Panna Darbar will be prepared to take opium from the Ghazipur Factory, after the old stocks of opium in Central India and Rajputana have been exhausted, provided that the two conditions specified under paragraph 1 above are fulfilled.

3. The third question discussed was the possibility of enhancing the selling price of opium in the State.

The consumption in the State in 1926-27 was 2 maunds 6 seers. The State realised by taxation in that year approximately

Rs. 31 per seer in the shape of duty and profit and Rs. 46 per seer in the shape of license fee, assuming that the share of opium alone was Rs. 4,000 in the total license fee realizations of Rs. 9,031. The total revenue from opium thus amounted to approximately Rs. 6,700. The issue price has however been increased, with effect from July 1st, 1927, from Rs. 45 to Rs. 50 per seer. The retail selling rate at present is Rs 90—100 per seer, and is therefore higher than that of neighbouring States.

The Panna Darbar are prepared to raise the selling rate of opium in the State to a degree corresponding as nearly as possible with that in force in British India, provided—

(1) that the enhancement is carried out by gradual stages;

(2) that the same price is enforced in all the neighbouring States; and

(3) that the enhancement does not cause undue hardship to legitimate consumers.

J. A. POPE, *President.*
M. A. TANA,
G. S. HENDERSON,
AZIZUDDIN AHMED, } *Members.*

Dated Nowgong, the 18th March 1928.

Accompaniment to Panna State Report.

Information required by the Opium Committee.

I. (2) (*ii*) ·066.

(*iii*) There is no exclusive opium department. Opium is kept at two central warehouses, and three Tehsil headquarters, in charge of Excise Inspectors and Tehsildars concerned, who do this work in addition to their other duties.

(*vi*) Cost price (including cost of transit to Satna) paid in 1925-26 was Rs. 14 per seer. Price of issue to contractors is now Rs. 50 per seer, and their selling price to consumers ranges between Rs. 90 to Rs. 100 per seer.

(*vii*) Present source of supply is the Government warehouse at Indore. There is no other stock-holding state in the vicinity of Panna from which our demand could be met. It does not appear that there will be any adverse financial effect by obtaining it from Ghazipur, provided the quality of opium obtainable and the price charged at Ghazipur do not compare unfavourably with Indore.

II. (*i*) The consumption here is very small. To infants it is given in the form of small pills containing about 1/32 of a grain of opium. It is taken by a few people for medical purposes or as a tonic in the form of pills or liquid Kasumba, in doses varying from ½ grain to 2 grains. Amongst a few lower castes it is the practice to take opium in the form of Kasumba on marriage or

other festive occasions. Very few are the people who take it as a luxury, and fewer still are those (fakirs, gosais, etc.,) who smoke it in the form of chandul.

(*ii*) Ball opium.

(*iv*) The consumption is so small in the State, that no special measures seem to be necessary for the purpose of effecting reduction. Increase of selling price must tell heavily upon poor people who use it for children or for medicinal purposes, though this State has never refused to fall in with the general policy of Government in this respect, and will continue to do the same in future.

IV. There is no smuggling out of the State. All officers of the Police, Revenue and Excise Departments are armed with the powers of preventive officers, and this is fully sufficient.

V. As regards advisability and practicability of obtaining supplies from Ghazipur, see reply I (2) (*vii*). I have no information as to what different kinds of opium Ghazipur could produce, nor as to the comparative price. But I have heard that Ghazipur opium is superior than Indore opium.

VI. Panna will gladly co-operate in the policy of Government. There is no cultivation of opium here. I am not aware how the selling price in the adjoining British Districts compares with that in Bundelkhand. There is no doubt that the uniformity of selling price in British India and the States must result in cutting out the incentive to smuggling. Maximum revenue from minimum consumption certainly gives rise to the chance of reducing consumption, but, as has already been mentioned, the consumption in this State is so small that it hardly calls for any organised efforts towards reduction. In this connection please see reply to II (*iv*).

Statement showing the consumption of opium and revenue from its duty and license fees of drugs for the last five years.

Sambat or year (July to June).	Consumption of opium.			Profit or duty.			License fees (Opium, Ganja and Bhang).		
	Mds.	Sr.	Ch.	Rs.	A.	P.	Rs.	A.	P.
1979 (1922-23) . . .	5	0	8	3,557	8	0	6,305	0	0
1980 (1923-24) . . .	2	26	14	2,802	1	0	5,961	0	0
1981 (1924-25) . . .	3	3	13	3,325	14	0	6,821	8	0
1982 (1925-26) . . .	1	39	11	2,472	4	0	7,433	0	0
1983 (1926-27) . . .	2	6	0	2,666	0	0	9,031	0	0
TOTAL .	14	36	14	14,823	11	0	35,551	8	0

REPORT FOR THE RAJGARH STATE.

Khan Sahib Syed SHAUKAT ALI, Diwan of the Rajgarh State, is the Committee Member representing the State.

A Note containing the information required on the Terms of Reference, supplied by Khan Sahib Shaukat Ali on behalf of the Darbar, is recorded by the Committee as an accompaniment to this Report.

Poppy cultivation in the State is confined to the production of opium for internal consumption, and has averaged in the last four years 264 acres. There are no stocks of opium in the hands of merchants or private persons. The Darbar hold a stock of about 50 maunds which is stored in the State warehouse, to which will be added the current year's produce when collected. The Committee's discussion has been mainly concerned with the following three points of importance, in regard to which the Committee unanimously records the conclusions given below:—

1. The President explained that a scheme is under discussion having for its object the purchase and storage in godowns in a central position of all stocks of old opium at present in the possession of merchants and private persons in Central India and Rajputana. These stocks are roughly estimated at 25,000 to 30,000 maunds, and the object of the scheme is to enable them to be placed immediately under control and to be passed into consumption as quickly as possible. The assistance required in this connection from the State would be limited to an agreement to purchase from the stocks so collected the opium that may be required from time to time for its internal consumption.

The consumption in the Rajgarh State in 1926-27 was 42 maunds 29 seers, representing in the population of 1,14,972 a consumption of 148·6 seers per 10,000.

The Rajgarh Darbar are prepared to assist the scheme outlined above, should it be brought into operation, by discontinuing opium production in the State and by purchasing from the central stocks the opium required for internal consumption in the State as soon as the present stocks in the State are exhausted, provided—

(1) that the inherent right of the State to produce opium is retained in all circumstances, and may be exercised at any time if, in the Darbar's opinion, cultivation in a neighbouring State is a cause of opium being smuggled into Rajgarh territory;

(2) that the opium is of good quality and meets the taste of consumers in the State;

(3) that the authority by which the old stocks are bought and resold to the States makes no profit on the transaction, the price charged being arranged so as merely to cover expenses; and

(4) that the price is not greater than the cost to the State of producing its own opium by cultivation.

2. It is estimated that a period of something like 10 years must elapse before the stocks of old opium will have passed into consumption. After that period the question will arise as to the means by which the States shall obtain the opium required for their internal consumption. In this connection the Government of India have suggested that States should receive their supply of opium at cost price from the Ghazipur Factory. The President stated that the present cost of opium from the Factory is Rs. 26 per seer. This is considerably greater than the present cost of opium obtained in Central India and Rajputana. It is hoped, however, that the cost of Ghazipur opium will be reduced, when the present large accumulations of stocks at the Factory have been diminished. Moreover the present price of opium in Central India and Rajputana is artificially low, being governed by the fact that there are very large stocks of opium and only a small market available for these stocks. Consequently there must in any case be an increase in the cost price of opium in Central India and Rajputana after the present stocks of old opium have ceased to exist. It is anticipated, therefore, that the disparity in price between the cost of Ghazipur opium and the cost of opium in Central India and Rajputana will be much less at the end of about 10 years than it is at present.

The Rajgarh Darbar will be prepared to take opium from the Ghazipur Factory, after the old stocks of opium in Central India and Rajputana have been exhausted, provided—

(1) that the inherent right of the State to produce opium is retained as stated in condition (1) of paragraph 1 above;

(2) that the opium is supplied by Government at cost price, no profit being made by Government on the transaction;

(3) that the opium meets the taste of consumers in the State; and

(4) that the price of the opium will be such that the margin of taxation available to the State, represented by the difference between the cost of the opium and the warehouse rate then in force, will not be less than the State's present margin of taxation, which is approximately Rs. 17.

3. The third question discussed was the possibility of enhancing taxation upon opium in the State and the probable financial effect of such a policy.

The present consumption in the State is 42 maunds 29 seers representing 148·6 seers per 10,000 of population. The State realized by taxation in that year approximately Rs. 17 per seer in the shape of duty and profit and Rs. 4 per seer in the shape of license fee, the total revenue from opium being Rs. 36,303. The retail selling rate at present is Rs. 35 per seer.

The Darbar are not prepared to bind themselves to raise the selling rate of opium to the level obtaining in British India, having regard to the habits of the people and their economic condition; but they are ready to enhance the present selling rate, subject to the following conditions —

(1) that the enhancement is carried out by gradual stages with reasonable intervals,

(2) that the same price is enforced in all the neighbouring States, and

(3) that the Darbar are satisfied that the price is not so high as to cause undue hardship to legitimate consumers

On the assumption (which the Darbar do not necessarily endorse) that it might be possible in this way to raise the selling price *ultimately to Rs 100 per seer, and that the State's profit from* taxation were then Rs 70 per seer, and assuming that in consequence of the increase in price the average consumption were to fall to 40 seers per 10,000 or about 460 seers annually sold in the State shops, the Darbar's revenue from opium taxation would then be Rs 32,200 compared with the present annual revenue of Rs 36,303.

J A POPE, *President*
AZIZUDDIN AHMED,
G S HENDERSON,
SHAUKAT ALI, } *Members.*

Dated Indore, the 10th April 1928

Accompaniment to Rajgarh State Report.

Terms of Reference

To enquire in to the following aspects of the situation in the States of Central India, Rajputana, Gwalior and Baroda.—

I. The present situation specially in regard to —

(1) AGRICULTURE

(a) The extent to which poppy is cultivated in each State.

A statement showing area cultivated and outturn of *Chik* from 1912-13 to 1926-27 is attached

(b) The quality and nature of the lands on which it is cultivated and the amount of irrigation required and the nature of arrangements for such irrigation

It is cultivated on irrigated lands (Adan (I) A) Requires to be watered 9 or 10 times, the sources of irrigation being wells (Pakka and Kachcha) (Any kind of land which is irrigated is called Adan).

(c) The liability of the yield of the crop to fluctuate owing to seasonal conditions.

A column showing the average yield per acre for each year has been added to the statement (A) as desired.

In the event of excessive rains the crop gets damaged by a kind of plant disease locally known as *Charra* which decreases the out-turn appreciably, the average yield in that case being generally 6 annas in the rupee. If after the crop is nearly mature and tapped cloudy weather sets in, the crop is also damaged by heat to the extent of 2 annas per *Chira*. Excessive cold also adversely affects the crop and the poppy heads are generally dwarfed as a consequence.

(d) The advantages or disadvantages of cultivating poppy as compared with other crops from the point of view of cultivators.

The poppy crop is much more profitable as compared with other crops from the point of view of cultivators. The estimated expenses of poppy cultivation per acre are Rs. 72-12-0 as under:—

	Rs.	A.	P.
Tillage and ploughing, etc.	5	0	0
Manuring	4	8	0
Seed	1	4	0
Watering (10 times)	20	0	0
Weeding (4 times)	12	0	0
Tapping	15	0	0
Cost of grass	2	0	0
Land Tax	13	0	0
Total	72	12	0

The estimated receipts per acre are Rs. 192-2-0 as under:—

	Rs.	A.	P.
Produce of opium (5-6/16 seers) at Rs. 11 per seer	59	2	0
Poppy used 5 Maunds at Rs. 8 per maund	40	0	0
Subsidiary Crops—			
Dhania	4	0	0
Barley	8	0	0
Garlic	30	0	0
Zira	2	0	0

Poppy is preceded by a crop of Mucca on the same plot whose Costs and receipts are as follows:—

Costs.—	Rs.	A.	P.
Seed	1	0	0
Weeding	6	0	0
Reaping	4	0	0
Total	11	0	0

	Rs. A. P.	Rs. A. P.
Receipts 24 Maunds Maize at Rs. 2-8 per maund	60 0 0	
Deduct—Cost	11 0 0	
Total	49 0 0	49 0 0
Total Receipts		192 2 0
Deduct costs		72 12 0
Nett profit per acre		119 6 0

No export duties are levied from the producer who obtains the above prices locally. If he elects to export the produce the rates of export duty are as follows:—

	Rs. A. P.	
Poppy Seed	0 4 0	per Md.
Dhania	0 7 0	per Md.
Barley	0 1 6	per Md.
Garlic	0 5 0	per Md.
Zira	0 8 0	per Md.
Bullocks	5 0 0	per head

(e) The possibility of substituting other crops for poppy and the effect on the cultivator of such substitution.

If poppy is not grown one of the following crops may be substituted for it:—

(1) Wheat.
(2) Sugar-cane.
(3) Maithi, Dhania and Onions.

The income from the cultivation of these crops amounts respectively to:—

	Rs A. P.
(1) Wheat 15 Maunds per acre value	75 0 0
Add price of Mucca as 1st crop	49 0 0
Total	124 0 0
(2) Molasses 24 maunds at Rs. 8 per maund	172 0 0
(3) Maithi 10 maunds at Rs. 5-4 per maund	52 8 0
Add price of Mucca	49 0 0
Total	101 8 0

While the expenditure amounts to Rs. 51-8-0, Rs. 137-8-0 and Rs. 47-8-0 respectively as per details shown below:—

	Wheat. Rs. A. P.	Sugarcane. Rs. A. P.	Others. Rs A. P.
Manuring	4 8 0	4 8 0	4 8 0
Tilling and Ploughing	5 0 0	5 0 0	5 0 0
Cost of seed	8 0 0	30 0 0	2 0 0
Watering	14 0 0	60 0 0	12 0 0
Weeding	2 0 0	5 0 0	8 0 0
Reaping and other expenses	5 0 0	20 0 0	3 0 0
Land Tax	13 0 0	13 0 0	13 0 0
Total	51 8 0	137 8 0	47 8 0

Nett results are as follows:—

	Wheat.			Sugarcane.			Other.			Opium.		
	Rs.	A.	P.	Rs.	A.	P.	Rs.	A.	P.	Rs.	A.	P.
Receipts .	124	0	0	192	0	0	101	8	0	192	2	0
Deduct—Cost.	51	8	0	137	8	0	47	8	0	72	12	0
Nett Profit .	72	8	0	54	8	0	54	0	0	119	6	0

(2) FINANCIAL.

(i) *The average revenue derived by the State from opium under the following heads:—*

(a) *Land revenue, distinguishing revenue from land cultivated with poppy for supply to the Government of India, that from land cultivated with poppy for supply to other States and that from land cultivated with opium for internal consumption.*

Land tax for 1927 amounted to Rs. 3,627 at 13 per acre. The present assessment will continue till the next Settlement even if the poppy cultivations were abolished. No fluctuating rates are levied.

(b) *Revenue other than land revenue derived from internal consumption.*

Revenue other than land revenue derived from internal consumption amouunted to Rs. 36,303-7-9 during the year 1927. The cost to the State of opium issued from the State Warehouse to the retail vendors comes to Rs. 16-8-0 per seer, the Warehouse rate (*i.e.*, the rate charged to the vendors including duty) is Rs. 32 per seer which includes Rs. 2 on account of license fee. The opium and hemp drugs shops are not combined here.

(c) *Revenue other than land revenue derived from export to other States.*

Nil.

(d) *Revenue other than land revenue derived from sale to the Government of India.*

Nil.

(e) *Any other form of revenue.*

Nil.

(ii) *The proportion that the total revenue of all kinds from opium bears to the total revenue of the State.*

3·5 per cent.

(iii) *Expenditure upon the regulation and control of the cultivation, manufacture and distribution of opium and the nature of the arrangements for such control*

A statement showing the required information is attached

(iv) *Loss of revenue to the State due to illicit practices in areas where opium is cultivated*

No loss of this kind is known to have occurred under the present arrangements

(v) *Loss of revenue due to smuggling of opium from outside the State*

Not known

(vi) *The present cost and selling price of opium, the possibility of gradually raising the latter and the effect upon the State's finances of such a policy*

The present cost and selling price of opium are Rs 16 8 0 and 35 per seer respectively No possibility at present of increasing the latter but in future it may perhaps be found possible to gradually increase it up to Rs 50 per seer

(vii) *The present sources of supply, and the possibility of meeting the demand in the first instance from stocks held in the State under consideration taken as a whole and ultimately from Ghazipur with special reference to the financial results of such a policy so far as these do not fall under any of the heads mentioned above*

At present opium for internal consumption is grown in this State and none is imported from outside If instead of growing poppy in the State the demand is met by a supply from Ghazipur it is a recognised fact that the State will suffer loss in the shape of diminished profits and the cultivators growing opium will largely lose a source of good income and work for themselves and their dependants The exact estimate of the present cost of supply is Rs 16 8 0 per seer (average price of Chil paid Rs 11, cost of supervision Re 1 and other expenses Rs 4 8 0)

(viii) *Effect of discontinuance of poppy cultivation on States that cultivate only for the Government of India and what steps if any can be taken to meet the same*

No opium is grown for the Government of India in this State

II *Consumption in the State*—(i) *The manner in which opium is used, the purposes for and occasions on which it is used and the extent to which it is used and, in particular to which it is administered to children*

Opium is used in small pills and also diluted with water (Kasumba) It is used by people in advanced years and by middle

aged also for supposed considerations of health. Though opium is used in all seasons its consumption slightly increases in cold weather; it is consumed from one ratti to 6 mashas at a time. The use of opium for the children commences a short time after their birth, but as no separate register is maintained for the purpose an exact idea of the extent to which it is administered to children can not be given. Approximately 3 per cent. of the total consumption is used for children. On the occasions of marriages, etc., special entertainments of Kasumba are arranged for.

(ii) *The form (ball, biscuit, etc.) in which opium is used in the State.*

The opium in this State is sold in balls which are prepared from pure Chik.

(iii) *The chemical consumption of opium when prepared for consumption in the manner prevelant in the State and its physiological effects upon the consumers when so consumed.*

Opium, according to those here who use it, produces a sort of refreshing effect on their minds and also infuses energy in those used to it.

(iv) *The possibility and desirability of effecting a substantial reduction in the amount of opium consumed in the State, the means (increase of selling price or otherwise) by which this could be effected and the financial or other obstacles to such reduction in so far as these have not been dealt with under any of the heads above.*

If the selling price is increased gradually, the consumption may be reduced from 45 to 30 or even 20 maunds per year provided a uniform selling price is made to obtain in all contiguous States. It is of course very desirable that the consumption should be reduced, but its abolition altogether is neither desirable nor practicable.

III. *Stocks of opium in the State.—Their quantity, by whom they are held, their value, the extent to which they are already under State control and how best they could be disposed of.*

There are no stocks of opium in this State with private dealers. The only stock is that held by the State which is kept under double locks, and is under State control, the value of the stock is Rs. 31,586-2-3 which is the price paid for Chik. This stock (as it becomes fit and available for use) will be disposed of by regular issues made from the Warehouse under the usual arrangements and proper control.

IV *Smuggling out of the State —Its causes and prevalence, the preventive agencies in existence, their present effectiveness and the possibilities of their improvement*

The present average consumption per head of the population of the State comes to 15 mashas per year which considering the prevailing habit of opium eating in this part of the country seems within reasonable bounds and does not give rise to any suspicion of smuggling out and no improvement in the present arrangements seems, therefore, necessary.

V. *Purchase from Ghazipur —The advisability and practicability of the purchase of opium by the States from Ghazipur at cost price How far the inhabitants of the States would be prepared to consume Ghazipur opium and whether Ghazipur could produce opium suited to their taste and needs.*

The opium eaters here being lifelong accustomed to Malwi opium will not, it is feared, like Ghazipur opium The State is not in a position to form a correct opinion as to whether Ghazipur could produce opium suited to the taste and needs of this country.

VI. *The policy suggested by the Government of India— The advisability and practicability of adopting the policy suggested by the Government of India, namely the discontinuance of cultivation in the States, the purchase of opium by the States from Ghazipur at cost price and the adoption by the States of the policy of maximum revenue from minimum consumption so as, ultimately, to raise the selling price to a level with that in the adjoining British Districts thereby removing the incentive to smuggling and reducing consumption*

In obtaining their supply of opium from Ghazipur the State will have to pay a larger price than that paid in case of local produce It is possible that the present rate at Ghazipur be lower than the local rate here but the former may, it is very likely, be so largely increased in the future that it may leave no profit to the State If Ghazipur price be permanently fixed at a rate equivalent to that in force in the State the objection based on mere financial considerations will be technically removed, but other scruples or objections such as those arising from the consideration of the cultivators' loss of income, dislike of Ghazipur opium by the local consumer, and above all the restrictions on the Darbar's privilege and prestige will yet remain

VII *General —Any other subjects relevant to the matters mentioned above*

Nil.

(A.)

Statement showing the outturn and consumption of the opium in the Rajgarh State.

Year.	Area (acre.)	Quantity of chik purchased.		Consumption.		Rate of Chik purchased per seer.	Duty.	Price.	Selling price for retail vendors	Average produce per acre.	
		Mds.	seers.	Mds.	seers	Rs. as. p				Seer.	Ch.
1912-13 .	1,209	154	9	46	8	4 6 0	5	8	16	5	1
1913-14 .	194	48	16	45	18	4 6 0	5	8	16	9	15
1914-15 .	268	34	25	56	20	4 6 0	5	8	16	5	3
1915-16 .	173	16	35	55	22	4 6 0	5	8	16	4	0
1916-17 .	207	19	38	69	36	4 6 0	5	8	16	3	15
1917-18 .	274	20	15	45	38	4 6 0	2	20	25	2	15
1918-19 .	171	16	29	52	23	5 0 0	2	20	25	3	14
1919-20 .	630	45	8	26	4	6 0 0	2	25	30	2	14
1920-21 .	639	93	15	19	12	8 0 0	2	25	30	5	14
1921-22 .	316	46	28	25	14	8 0 0	2	25	30	5	14
1922-23 .	311	50	6	31	37	8 0 0	2	25	30	6	9
1923-24 .	299	35	15	35	2	8 0 0	2	25	30	4	12
1924-25 .	208	29	38	41	22	8 0 0	2	25	30	5	12
1925-26 .	271	25	38	46	2	8 0 0	2	25	30	3	13
1926-27 .	279	55	31	42	29	10 0 0 12 0 0	5	25	35	8	0

(B)

Statement showing income from Price, Duty and License fee and the price paid for Chik, Rajgarh State

Year	Price	Duty	License fee	Total	Price Paid for Chik and approximate expenses		
					Price of Chik	Other expenses	Total.
	Rs A P	Rs A P	Rs A P	Rs A P	Rs A P	Rs	Rs A P
1912 13	9 861 9 9	3,907 6 0	5,147 8 0	18,976 7 9	36,123 11 0	500	36,624 11 0
1913 14	1,495 1 9	7,517 5 0	4 676 0 0	13 688 6 9	8 475 6 0	947	9 422 6 0
1914 15	18,084 0 0	10,633 12 0	6,?84 0 0	31 001 12 0	6,218 0 9	1,397	7,615 0 9
1915-16	17,777 0 0	10,381 4 0	5 663 0 0	33 821 4 0	? 955 1 0	2 9	3 254 1 0
1916 17	22 364 8 0	13 292 1 0	6,?41 4 0	42 599 13 0	3,49? 5 9	526	4 0 8 5 9
1917 18 .	14 613 11 0	15,359 5 6	7,511 0 0	37,484 0 6	8 960 13 6	411	9,370 13 6
1918-19 .	23,535 4 0	14,292 4 0	5 551 0 0	43,381 8 0	12 309 0 6	213	12,522 0 6
1919-20	21,353 3 3	1,982 10 0	7,701 0 0	30,336 13 3	14 459 15 9	899	15 358 15 3
1920-21	19 288 14 6	1,514 1 0	5 692 0 0	26 494 15 6	29,872 6 9	700	30 572 6 9
1921 22 .	25 774 10 0	2 020 7 6	4,065 8 0	32 750 9 6	14 948 5 6	163	15 111 5 6
1922 23 .	31 937 3 0	2,505 15 6	5 094 0 0	39 537 2 6	1 646 15 9	600	2 246 15 9
1923 24 .	43 743 12 0	2,779 8 3	6 168 4 0	52 091 8 3	11,322 8 0		11,322 8 0
1924-25	41,642 3 0	3,?77 4 6	6 073 0 0	51,692 7 6	9 581 6 0	318	9 899 6 0
1925 26	46 055 9 6	3,651 0 0	6 039 10 3	55 746 3 9	8 299 5 6	250	8,549 5 6
1926 27 .	4?,726 9 0	8,504 1 0	6,450 2 6	57 680 12 6	22 800 0 0	350	23 150 0 0

(C)

Statement showing the Establishment of Opium Department in the Rajgarh State

Designation.	Number	Salary per month.	Total emoluments	Charge on the supervision of opium work	REMARKS
		Rs	Rs.	Rs	
Inspector, Distillery	1	30	360	180	Supervises the opium warehouse also
Inspectors, Abkari .	2	[illegible]—100	1,200	600	Supervises the opium shops
Peons . . .	2	[illegible]=14	168	84	
Watchman . .	1	7	84	84	
Moharrir Godam	1	12	144	144	
Moharrirs . .	2	[illegible]=35	420	420	
Tehsil's allowance		18	216	216	
Customs officer's allowance		25	300	300	
Total .	...	...	*2,892*	*2,028*	

REPORT FOR THE RATLAM STATE.

Rai Bahadur Pandit BRIJMOHAN NATH ZUTSHI, O.B.E., Diwan of Ratlam State, is the Committee Member representing the State.

Statements containing statistical and other information required in answer to the Terms of Reference, supplied to the Committee by Rai Bahadur Zutshi on behalf of the Darbar, are placed on the record.

The Committee unanimously records the following conclusions:—

I.—OLD STOCKS OF OPIUM.

About 102 maunds of hard opium; the property of two merchants in the State, are kept under State lock and seal in the merchants' godowns. About 19 maunds belonging to the Darbar are kept in the State godown for issue to licensed vendors. The opium required for internal consumption in the State averages about 8 maunds annually. Opium belonging to merchants is occasionally exported to other States; and the Ratlam Darbar has recently entered into a contract to supply to the Hyderabad State 225 chests or 382½ maunds annually for five years, the opium required for this contract being at present purchased in the open market on behalf of the Darbar by their agent.

The problem of the old stocks thus affects the State more as a purchaser than as a possessor of stocks. In the event of a scheme being introduced for purchasing and storing in a central godown all the old stocks of opium in Central India and Rajputana, the Darbar agrees to obtain from the central godown the opium required for its Hyderabad contract, so long as the cost is not in excess of the cost of producing the opium by cultivation in the State.

II.—PRODUCTION OF OPIUM IN THE STATE.

The State has an agreement with Government for the production of 350 maunds of crude opium annually. This quantity was fixed in the year 1925-26. The agreement began in 1916-17 and the following figures show the quantities to be delivered under the agreement and the quantities actually produced from the beginning:—

Year.	Quantity specified to the nearest maund.	Production to the nearest maund.
1917-18	363	210
1918-19	595	23
1919-20	715	118
1920-21	798	160
1921-22	798	278
1922-23	798	341
1923-24	547	372
1924-25	547	319
1925-26	350	134
1926-27	350	313

Production has thus always fallen short of the amount required under the agreement. It appears that *one reason for this is the competition of cotton in* years when cotton prices are high. Cotton production has reached a high level in the State, and Ratlam cotton obtains a better price in the local market than that of other neighbouring States. A second reason is perhaps to be found in the special assessment arrangements in force in the State. There was originally a special poppy cess of Rs. 4 per bigha, equivalent to Rs. 8 per acre, *on* land cultivated with the *poppy*. It was found that this cess affected poppy cultivation unfavourably, and the settlement was altered, the poppy cess being abolished and an extra cess of Rs. 2 per bigha being levied instead upon all irrigated land in the State, on the understanding that a cultivator with irrigated land in his holding could exercise the option if he wished of cultivating poppy without extra payment. The new arrangement has brought in considerable extra revenue to the State but the figures do not show that it has greatly stimulated poppy cultivation, the average area under poppy in the last 10 years being 1194 acres or less than the cultivation in the first year of the decennium. The seasons of 1918-19 owing to influenza and of 1925-26 owing to deficient rainfall were however particularly unfavourable. The present area under poppy is about one-tenth of the total irrigated area.

The Committee has considered the loss to State revenues which would be involved if poppy cultivation were abandoned, and records the following conclusions.

The production of opium for Government brings a profit to the State represented by the difference between the purchase price received from Government for the opium and the cost to the State including payment to cultivators cost of establishment and other charges. The State at present pays the cultivator Rs. 3 less per seer than the price received from Government, but it pays 3 annas per seer towards the cost of the Joint Opium Officer's establishment and incurs local expenses amounting to 2 pies per seer. The actual profit is thus Rs. 2-12-10 per seer. Assuming normal deliveries at Ghazipur to be 300 maunds annually the profit at Rs. 2-12-10 per seer will be Rs. 33,625.

It is difficult to estimate what loss, if any, of land revenue would be involved by prohibiting poppy cultivation. Under the arrangement explained above the cultivator is guaranteed, in return for an extra cess of Rs. 2 per bigha on irrigated land, the right to cultivate the poppy if he wishes to do so. Although the right has clearly not been fully exercised, its withdrawal might give rise to complaints and necessitate some decrease in rates. In the circumstances the value in terms of land revenue of poppy cultivation might perhaps be fairly estimated at something less than Rs. 4 per bigha cultivated (the original cess) but more than Rs. 2, the cess now imposed on all irrigated lands. If a mean value of Rs. 3 is thus adopted, the land revenue estimated to accrue from

3,000 bighas, the area required to produce 300 maunds, will be Rs. 9,000.

The State in addition obtains a revenue estimated at Rs. 1,000 annually from customs duties on poppy seed and oil.

If cultivation ceased it is reasonable to assume that the State would realize extra revenue from the resulting increase in the sales of opium at State shops. The present annual consumption is about 8 maunds, equivalent in a population of 85,489 to 37·4 seers per 10,000. The State taxation amounts to Rs. 8,000 annually, giving a revenue of Rs. 25 per seer. If cultivation ceased, it may perhaps be fairly assumed that the average consumption would increase to 50 seers per 10,000, giving a total consumption of 10 maunds 27 seers or an increase upon the present figure of 2 maunds 27 seers. The extra revenue obtainable at Rs. 25 per seer would then be Rs. 2,675.

The net loss to the State from discontinuing opium production is thus found to be as follows:—

	Rs.	A.	P.
Loss of profit on production for Government	33,625	0	0
Loss of land revenue	9,000	0	0
Loss of customs revenue	1,000	0	0
Total	43,625	0	0
Gain from opium taxation	2,675	0	0
Nott loss	40,950	0	0

The total annual revenue of the State from all sources has averaged in the last five years Rs. 7,68,000, and the loss of Rs. 40,950 would be equivalent to 5·3 per cent. of the total.

The above figures take no account of the loss occasioned to cultivators by the prohibition of poppy cultivation. This would certainly be considerable, but the Committee is unable to attempt at present any definite estimate of the loss in terms of money value.

The Darbar's views on the subject of opium production in the State are contained in the accompaniments to this Report. The Darbar desires, in the interest both of the State revenues and of the cultivators, to continue the production of opium so long as a market is available. It requests sympathetic consideration for the State's claim to share in any market, internal or external, that may be open to Indian opium.

III.—Final arrangements for supply of opium for internal consumption in the States of Central India and Rajputana.

The Darbar desires that cultivation in the State should continue, but is ready, if cultivation ceases, to obtain the opium required for internal consumption and for its Hyderabad contract from any generally approved source, provided that the quality is suitable and the cost is not excessive, and provided that the State retains in all circumstances the inherent right of producing opium when necessary.

IV —THE POSSIBILITY OF ENHANCING TAXATION UPON OPIUM AND THE PROBABLE FINANCIAL EFFECT OF THIS POLICY

The Darbar is prepared to increase the selling price of opium concurrently with increases in neighbouring States The present retail selling price is Rs 40 per seer and the taxation profit to the State is Rs 25 per seer, the actual cost price of the opium being Rs 7-4 An average consumption of 8 maunds annually (equivalent to 37 4 seers per 10,000) thus produces a revenue of Rs 8,000 Assuming that the selling price were raised by gradual stages to an ultimate figure of Rs 100 per seer, and that this gave a profit of Rs 70, and assuming that consumption decreased in consequence to an average of only 20 seers per 10,000 or approximately 4 maunds 11 seers, the State s revenue would then be nearly Rs 12,000

J A POPE *President*
G S HENDERSON, } *Members*
AZIZUDDIN AHMED, } *Members*
B N ZUTSHI, } *Members*

Dated Ratlam, the 6th February 1928

Accompaniments to Ratlam State Report

Preliminary information on the points in the Note sent by the President, the Indian States Opium Committee, to the Dewan of Ratlam

The stock of old opium in the possession of wholesale dealers *and private persons is controlled by the Excise Department of* the State The stock held by each individual is weighed in the presence of an official of that department and is secured in a safe room, which is locked up before the said official who affixes a ticket to the lock signed by him When any quantity is to be taken out from the stock for sale, the lock is opened before that official and the opium is weighed in his presence All account in this connection is kept in the excise office

A 18 maunds 32 seers of old opium of the value of Rs 6,863 9 0 is in stock at the Excise Office, 10 maunds of which is 10 years old and the rest one or two years It is in the form of balls

The number of wholesale dealers possessing stocks is two One Kaluji Virchand who holds ball opium weighing 2 maunds 8 seers 9 chataks of the value of Rs 285-10 0 It is 15 years old The other is Seth Magniram Vabhutsingh who possesses 100 maunds of opium of the value of Rs 40 000, 16 maunds of which is 15 years old and the rest 4 or 5 years It is in the form of balls

B. Ratlam is an opium producing State. For internal consumption it does not require supply from outside. In the years from 1917-18 to 1923-24 cultivators were paid for their crude opium at Rs. 12 per seer as price of their opium. In 1924-25 they were paid at the rate of Rs. 10 per seer, in 1925-26 at Rs. 9 per seer and in 1926-27 at Rs. 7 per seer.

The Revenue Department employs only one clerk for work in connection with opium operations at an annual expense of Rs. 200. The Revenue and the Land Record staff are entrusted with the supervision of cultivation of poppy in addition to their respective duties and no extra expenditure is incurred in this connection, except Rs. 130 on account of weighment and Rs. 4,000 as contribution towards maintenance of the Joint Opium Officer and his establishment. Opium produced in this State is supplied to the Government in the form of chik or crude opium. It is not sold to any other State or person. The cultivation and production of opium is carried on under the control and supervision of the Revenue Department. For internal consumption the quantity needed is supplied by that Department to the Excise Department. The crude opium is manufactured into ball opium by the Excise Department. The cost of manufacturing crude opium into ball opium is estimated at Rs. 6 per maund. The price paid to the cultivator for crude opium was Rs. 7 per seer last year; but the cultivators are dissatisfied at the reduction in price from Rs. 12 to Rs. 7 in recent years. No extra expenditure on account of supervision and warehousing, etc., is incurred, the Sayar department doing it. Loss on account of dryage at the rate of 4 seers per maund in the first year is estimated to be Rs. 1,280, the total internal consumption being 8 maunds. The reduction in revenue from sales of State opium, if any, must be inappreciable, as the cultivators are bound to deliver all their produce to the State, and there are no other licensed dealers in opium in the State other than the State Contractor and his agents, who cannot deal directly with the cultivator, the agents getting their supply from the contractor and the latter from the State Excise Department. As Ratlam is not an importing State it has not to undergo any expenses on account of commission to wholesale merchants, freight and other incidental charges. As the Ratlam Darbar have lately entered into an agreement with Hyderabad Government to supply that Government with 225 chests or 394 maunds of opium annually for five years, they have to import opium (soft as well as hard balls) at Rs. 9 per seer and Rs. 2 per seer are paid for freight and other incidental expenses. Steps are being taken to increase the cultivation of opium in the State to carry out the Hyderabad contract.

2. Benefits derived by the production of opium are detailed as under:—

(*a*) Average annual area (jagir as well as khalsa) under poppy cultivation during the last five years is 3,070 bighas. Taking the average rent on land cultivated with poppy as Rs. 12 per

bigha (Rs 8 being the average rate for a bigha of irrigated land and Rs. 4 extra being charged if poppy is sown in it) the land revenue is Rs. 37,000 from land cultivated with poppy. Out of this amount of Rs. 37,000, about Rs. 12,300 is realised solely on account of irrigated land being sown with poppy and if poppy cultivation is prohibited this amount would be permanently lost to the State.

No land has hitherto been cultivated with poppy for supply to other States. But last year the Ratlam Darbar entered into an agreement with His Exalted Highness the Nizam's Government, undertaking upon itself to supply 225 chests or 394 maunds of opium yearly for five years. The Darbar have, therefore, started repairs to wells, etc., for irrigating extra land (about 5,000 bighas) to be cultivated with poppy for supplying opium to Nizam's Government; the land rent in which case would amount to about Rs. 60,000 at Rs. 8 per bigha *plus* Rs. 4 extra (*i.e.*, Rs. 12 in all) for irrigated land sown with poppy.

About 8 maunds (eight) are required for internal consumption and as one bigha produces about 6 lbs. of opium, the area required for this is about 100 bighas, the rent for which would amount to Rs. 1,200 (included in the figure Rs. 37,000 given above).

(*b*) The average annual revenue other than land revenue (for the last five years) derived by the State from internal consumption amounts to Rs. 8,000.

(*c*) The average annual revenue other than land revenue (for the last five years) derived by the State from export to other States is about Rs. 1,000 being the duty on opium seed produced in the districts of Ratlam and brought into the town of Ratlam and duty on poppy seed oil exported from the State to other places. The revenue derived from the export of opium was very little until last year, when, owing to the agreement with His Exalted Highness the Nizam's Government to supply opium to the Hyderabad State for their domestic purposes, the duty realised was over Rs. 5,000, and this annual income will continue as long as the agreement lasts, the period at present contracted for being 5 years.

(*d*) The average annual revenue other than land revenue (for the last five years) derived by the State from sale of opium to the Government of India amounts to about Rs. 37,000 at Rs. 3 per seer.

(*e*) About Rs. 50,000 is the amount of profit derived annually by the Ratlam Darbar by supplying opium to Hyderabad (Deccan) according to the agreement entered into last year with His Exalted Highness the Nizam's Government. While about Rs. 20,000 a year will be the income of the Ratlam Darbar from the extra land rate at Rs. 4 per bigha on about 5,000 bighas of irrigated land which will be sown with poppy to produce the quantity of opium to be supplied to Hyderabad.

(*f*) The total average annual revenue of all kinds from opium amounts to about Rs. 60,000 exclusive of Rs. 50,000 the profit from supply of opium to Hyderabad and of the expected increase in the land revenue of Rs. 20,000 a year when about 5,000 additional bighas will be under poppy to fulfil the Hyderabad contract.

The future of opium production in the Ratlam State, which produces opium at present.—In view of the benefits enumerated above which accrue to the State from the cultivation of poppy the abolition of poppy cultivation will prove of considerable loss to the State and affect adversely the general prosperity of the ryots. As far as known no other crop can be as profitable as poppy. (*Vide* answer to question VII General, at the end of the list of Terms of Reference.) The difference in value to the cultivator in profit if poppy is replaced by wheat works out to Rs. 13 per bigha; and sugarcane as far as the cultivation of it is known and practised in these parts is out of the question owing to the general shortage of water and cost of cultivation which is beyond the means of ordinary cultivators. Even if an attempt were made, it is impossible to convert all poppy land into sugarcane plantation and if it is done perhaps it will not be profitable being in excess of demand. The only practical solution of the difficulty that suggests itself is to allow poppy cultivation to continue with this restriction that opium produced in the States of Central India and Rajputana may not be allowed to be exported into British India and *vice versâ*, it being understood that the quantity produced will be generally limited to the requirements of the States themselves and to such other States out of Central India and Rajputana which at present obtain their supplies from them.

The Hyderabad Opium Contract.—The Ratlam Darbar has undertaken to supply opium to His Exalted Highness the Nizam's Government for their internal consumption for a period of five years in the first instance and only one year of the agreement has elapsed. The production in the State at present does not leave any margin for the fulfilment of the contract nor can the Darbar increase the produce to enable them to discharge their obligation for a number of years and they have to fall back on produce in Rajputana States to carry them through. In the event of failure to fulfil the contract, serious legal tangle with Hyderabad Government is sure to ensue, involving financial liability in the shape of compensation and the Darbar, therefore, view with anxiety any change in conditions of cultivation or of export as obtaining at present. They, therefore, cannot urge too strongly the continuance of the conditions under which they are at present importing opium from Rajputana and exporting it to Hyderabad without any hindrance and imposition of any duty by the Government. The President and Members of the Opium Committee, the Ratlam Darbar feel sure, will not lose sight of this important fact so vital to the interests of the Ratlam Darbar, in any scheme that may be recommended by the Committee.

3 For answer to this question 3, please see answer to question V of the Terms of Reference.

Information on matters mentioned in the Terms of Reference.

I. The present situation specially in regard to:—

(1) AGRICULTURE.

(*a*) The hopes of the cultivator were formerly centered in the well-being of his poppy crops, there being upto 1905 few cultivators on the plateau without their poppy fields, however small. In the period (1905-1906 to 1916-1917) poppy cultivation was gradually reduced upto 1912 and then totally abolished in accordance with directions from the Government. The Government then entered into agreements with some of the important opium producing States to obtain their supply from them, offering suitable prices in beginning and gradually reducing the prices and the quantity as well. In the year 1926-1927, 2,333 bighas were under poppy cultivation the average annual area under poppy for the last five years being 2,969 bighas. During the five years (1912-1913 to 1916-1917) when the cultivation of opium was entirely abolished, the cultivators neglected the wells, tanks and oris, the chief means of poppy cultivation; and it was only after renewed efforts that 4,081 bighas of land were placed under poppy cultivation in 1923-1924.

Owing to fluctuations in the total rainfall of the last few years the average area of the last five years under poppy was 2,969 bighas as shown above. As the Ratlam Darbar have lately entered into an agreement with the Nizam's Government to supply that Government with opium for five years, attempts are being made to increase the cultivation of poppy to the extent of 10,000 bighas. Proposals are under consideration to repair tanks, wells, oris, etc., for the supply of water for more land to be brought under irrigation.

(*b*) According to the Settlement of 1913-14, black soil (Kali) is distinguished as 1st, 2nd and 3rd class black soil. The first and second class kali soil is generally sown with poppy, provided it is not chunkhad (soil mixed with sand) nor is it kans (soil overgrown with kansra-a kind of grass), nor is it dhalu (sloping ground), nor kharcha (land containing salts). Poppy land is usually double cropped. It is ploughed three times just before the rains. It required at least seven waterings, but not more than nine waterings. Poppy plants are generally watered by means of a leather bucket drawn by a pair of bullocks to raise water from the well. When the rainfall is sufficient and the tanks are full of water, poppy fields are irrigated by water carried by gravitation from the tank into the fields This is only possible in a few places where there are tanks and the rainfall is sufficient.

(c) The commonest enemies of this crop are frost, winter rains, hailstones and excessive heat which damage the crop to a great

extent and the yield is reduced from 12 to 8 annas in the rupee. The seasonal conditions render the crude opium thin and its colour is also changed, that is it turns black and mouldy.

(*d*) If the cultivation of poppy is entirely stopped in the State and other crops are substituted, the cultivators will have to undergo a loss of at least Rs. 13 per bigha of irrigated land, as will be apparent from the detailed statement, showing the expenditure, receipt and profit on crops proposed as substitutes for poppy, attached hereto. Only sugarcane and vegetable crops, if substituted, might make good the loss through prohibition of the cultivation of poppy; but sugarcane requires sufficient supply of water in the wells for the whole year (all the 12 months of the year), while in this State water in the wells is sufficient only upto the month of Falgun (March). There are only very few wells in which water is enough throughout the year and these are used at present for the limited cultivation of sugarcane and vegetables, necessarily in very small areas.

(*e*) The answer to this question is given above in (*d*). The cultivators will have to suffer a loss of rupees 13 per bigha by the substitution of other crops. Thus the general prosperity of the cultivators will suffer by nearly a lac of rupees.

(2) FINANCIAL.

(*i*) The average annual revenue derived by the State from opium is given below under the heads (*a*) to (*e*).

(*a*) Average annual area (jagir as well as khalsa) under poppy cultivation during the last five years is 3,070 bighas. Taking the average rent on land cultivated with poppy as Rs. 12 per bigha (Rs. 8 being the average rate for a bigha of irrigated land and Rs. 4 extra being charged if poppy is sown in it) the land revenue is Rs. 37,000 from land cultivated with poppy. Out of this amount of Rs. 37,000, about Rs. 12,300 is realised solely on account of irrigated land being sown with poppy and if poppy cultivation is prohibited this amount would be permanently lost to the State.

No land has hitherto been cultivated with poppy for supply to other States. But last year the Ratlam Darbar entered into an agreement with His Exalted Highness the Nizam's Government, undertaking upon itself to supply 225 chests or 394 maunds of opium yearly for five years. The Darbar have, therefore, started repairs to wells, etc., for irrigating extra land (about 5,000 bighas) to be cultivated with poppy for supplying opium to Nizam's Government; the land rent in which case would amount to about Rs. 60,000 at Rs. 8 per bigha *plus* Rs. 4 extra (*i.e.*, Rs. 12 in all) for irrigated land sown with poppy.

About 8 maunds (eight) are required for internal consumption and as one bigha produces about 6 lbs. of opium, the area required for this is about 100 bighas, the rent for which would amount to Rs. 1,200 (included in the figure Rs. 37,000 given above).

(b) The average annual revenue other than land revenue (for the last five years) derived by the State from internal consumption amounts to Rs. 8,000.

(c) The average annual revenue other than land revenue (for the last five years) derived by the State from export to other States is about Rs. 1,000 being the duty on opium seed produced in the districts of Ratlam and brought into the town of Ratlam and duty on poppy seed oil exported from the State to other places. The revenue derived from the export of opium was very little until last year, when, owing to the agreement with His Exalted Highness the Nizam's Government to supply opium to the Hyderabad State for their domestic purposes, the duty realised was over Rs. 5,000, and this annual income will continue as long as the agreement lasts, the period at present contracted for being 5 years

(d) The average annual revenue other than land revenue (for the last five years) derived by the State from sale of opium to the Government of India amounts to about Rs. 37,000 at Rs. 3 per seer.

(e) About Rs. 50,000 is the amount of profit derived annually by the Ratlam Darbar by supplying opium to Hyderabad (Deccan) according to the agreement entered into last year with His Exalted Highness the Nizam's Government. While about Rs. 20,000 a year will be the income of the Ratlam Darbar from the extra land rate at Rs. 4 per bigha on about 5,000 bighas of irrigated land which will be sown with poppy to produce the quantity of opium to be supplied to Hyderabad.

(ii) The total average annual revenue of all kinds from opium amounts to about Rs. 60,000 exclusive of Rs 50,000 the profit from supply of opium to Hyderabad and of the expected increase in the land revenue of Rs. 20,000 a year when about 5,000 additional bighas will be under poppy to fulfil the Hyderabad contract. The total average annual income of the State for the last five years is Rs. 7,68,000, the proportion which the revenue of all kinds from opium bears to this being nearly 8 per cent.

(iii) The opium cultivators of the State apply to the Revenue Department of the State for allotment of land for the cultivation of opium. On their applications being sanctioned by the Revenue Officer licenses are issued to them. The Patwari of each village then submits his list of the estimated area under poppy cultivation and the Joint Opium Officer is informed by the Darbar of the total estimated area under poppy cultivation in the State. After a time the actual area under poppy is reported to him. Supervision and control of the crop is made by the Revenue and land Record Departments of the State. Their staff comprising the patels, patwaris, chowkidars, etc., are held responsible for the work as soon as permission is granted to cultivators for the sowing of poppy. An estimate of crude opium collected daily is made by the above-said officials and the crude opium thus collected is daily put in an earthen pot, which is daily weighed and entrusted

to the cultivator. Strict supervision is kept to prevent oil being mixed with the opium collected. Weighment is made under the supervision of the above staff, who keep an account thereof. Only one extra clerk is engaged for the opium work whose annual pay amounts to Rs. 200. No extra expenses are incurred in the execution of this work. Only hamals are employed at an average yearly expense of Rs. 130. A sum of Rs. 4,000 a year is allotted in the State Budget towards the maintenance of the Joint Opium Officer and his staff, as State contribution.

Manufacture.—As regards manufacture of opium the *chik* is first collected in a copper vat. The workmen, who are hamals of the Sakhwal, Bagda and Harnia Gaud Brahmin class, then step into the vat and tread the juice with their feet, holding on to a piece of rope over-head. After the whole has been trodden into a uniform viscous form a lump is taken out, placed on a platter and kneaded and manipulated by the workmen sitting opposite to each other. These lumps are taken to the headman, styled the *Jamadar*, who rolls them between his hands into balls of about a pound's weight each. The *Jamadar* continually wets his hands with *rabba-ka-pani*, the water in which the bags containing the *chik* have been washed. The balls are then thrown into finely powdered *pali* (dried and broken opium leaves). These balls remain covered with *pali* for a couple of months, when they are broken and re-made so as to assure homogeneity, a process known as *chapai.* This process is repeated. The balls, when ready are placed in boxes called *ardhia* or "half chest" (two such boxes making a "chest" containing 140 lbs.) containing *pali.* After a year they are disposed of. All this process is carried on under the control and supervision of the Excise Department of the State. The expense in connection with this manufacture is estimated at about Rs. 6 per maund. The loss on account of dryage is estimated at Rs. 75 to Rs. 80 per maund.

(*iv*) As shown in (*iii*) above, strict supervision and control is kept by the Revenue and Land Record Departments of the State, there being no chance left for illicit practice in areas where opium is cultivated. During the last five years it has been observed that on an average only 2½ seers of opium a year was produced by illicit means, thus the Excise and Customs Departments had to undergo no appreciable loss due to illicit practices.

(*v*) No loss of revenue due to smuggling of opium from outside the State was reported during the last five years. During the last 6 or 7 years only two cases of smuggling of opium from outside the State were detected by the State Police and the offenders were arrested and opium in their possession seized and the cases were enquired into by the Judicial Department, the accused being convicted and sentenced. The Darbar entirely favours the organisation of the Rajputana and Central India Opium Contraband Department and would most willingly co-operate in future as they have now been doing with the Department in trying to put down

smuggling and prevent illicit trade in opium as successfully as possible. If the Officer in charge of the opium contraband staff stationed at Ratlam is informed of the existence of any delinquents in the State territory, he may be directed to inform the Superintendent of the State Police who will take all such steps in the matter as are possible under the opium rules in the State, in which the Excise Law is in force. The Superintendent of State Police should be allowed to deal direct with the officer stationed in Ratlam and act in a spirit of perfect reciprocity. Another method to check the activity in this nefarious trade effectively is to make the offence of smuggling opium an extraditable one, and, unless special circumstances of the case demand it, the necessity of sending *primâ facie* evidence for the extradition of the accused may be dispensed with by the parties. Moreover it may also be mentioned that all opium cultivation in this State is licensed, measured and checked and estimates of produce are prepared, which do not differ much from the actuals, and the Darbar adopt severe measures if illegal disposition is brought to light. Smuggling from States into British India is due to the difference between the selling price in the opium producing States and that prevailing in British India, and the Ratlam Darbar are willing to raise by degrees the price so as to bring it on a level with the price in British India. This will effectively put a stop to all smuggling.

(*vi*) The present cost price of opium is Rs. 7-4-0 per seer and the selling price is Rs. 40 per seer. By raising the selling price of opium still more, it is feared that the consumption will be reduced and consequently it will reduce the revenue of the State.

(*vii*) At present only as much area is cultivated with opium as will produce opium sufficient to supply Government demand and for internal consumption. But as the Ratlam Darbar have lately entered into an agreement with His Exalted Highness the Nizam's Government undertaking upon themselves to supply the Nizam's Government with opium for five years for their internal consumption, according to the said agreement the Ratlam Darbar will have to supply 225 chests or 394 maunds of opium annually for five years. It will be a very great loss to the revenue of the State if such a large demand would be met by procuring opium from Ghazipur. If, on the other hand, the cultivation of opium is increased, the Revenue, Customs and Excise Departments, will not only be saved from the loss of their revenue, but will also be in a position to considerably increase their revenue. Besides this the poor cultivators will have to undego much loss of income, if the cultivation of opium is entirely abolished, for they will not be able to earn so much by substituting any other crop for opium.

(*viii*) If the cultivation of poppy is entirely discontinued, the loss to the Revenue Department on account of land revenue (at Rs. 4 per bigha extra for poppy) will come to Rs. 12,280, taking into consideration the area under poppy for supply to Government. In addition to this, if the area under poppy which the Darbar contemplate increasing on account of their agreement to supply

the Nizam's Government with opium for five years, is not sown with poppy the Revenue Department will have to undergo a further loss of Rs. 20,000 at the extra rate of Rs. 4 per bigha. For no other crop, if substituted for opium, can be charged the extra rate, and thus this deficiency in land revenue can never be made good. In the same way the Customs and Excise Departments will also have to undergo a loss of nearly Rs. 60,000. They will also be deprived of their expected profit of Rs. 50,000 more if no fresh area is brought under opium cultivation to supply opium to Nizam's Government.

II. (*i*) Some young ignorant persons are addicted to the use of opium as a stimulant. Old men use opium owing to their infirmity due to old age. Crude opium is not used by opium eaters. They use opium after it is prepared by a process which is technical. Only a small quantity is necessary for internal consumption in the State, only 8 maunds of manufactured opium is sufficient for State consumers. Many ignorant persons administer opium to their children, thinking that by doing so they will grow healthy and will be able to resist disease. Ignorant mothers administer opium to their children in order that they may fall asleep under the influence of the drug and the females may be in a position to attend to their household work without disturbance. On the occasions of betrothals and marriages the use of opium in the form of *Kasumba* is prevalent especially amongst the Rajputs. Opium is powdered, mixed with a small quantity of water and is strained. The liquid thus formed is called *Kasumba*. It is presented to his guests by the host, in the palm of his hand, and he asks them to drink it, which they do with pleasure. Some sweets called *Khar Bhujna* are also presented after *Kasumba* is taken. In Rajput States at Darbars *Kasumba* is offered to such of the Darbaris as use opium. *Khar Bhujna* is then distributed to all the Darbaris present.

(*ii*) Biscuit opium is used in the State. Balls of opium are powdered and a very small quantity of water is added to the powder, which is heated and moulded into biscuits which are sealed, by an Excise Official, and given to the contractor for sale.

(*iii*) In the formation of opium balls the workman applies linseed oil to both his hands and when forming biscuits linseed oil is applied to the balls. Nothing else is mixed with opium.

(*iv*) Substantial reduction in the amount of opium consumed in the State if effected by increasing the selling price would only lead to considerable reduction in the revenue of the State, and the addiction to some such drugs as cocaine secretly will be the result.

III. The present stock of opium in the possession of the Excise Office of the State is 18 maunds 32 seers of the value of Rs. 6,863-9-0. In addition to the above 2 maunds, 8 seers and 9 chataks of opium of the value of Rs. 885-10-0 is held by one Kaluji Virchand, a local opium merchant, and 100 maunds of opium worth Rs. 40,000 is held by Seth Magniram Vabhutsingh. The quantity held by the above

two firms is under the strict supervision and control of the Excise Department. It is locked and sealed by the Excise Department. The Excise contractor is supplied with opium from out of the present stock by the Excise Office. He disposes of it to the different retail dealers appointed by the Excise Officer, who sell it to the public. The contractor allows these retail sellers of opium a commission of one anna per rupee.

IV. The smuggling of opium out of the State is not at all prevalent here. The chief cause of smuggling appears to be that the smugglers can get higher price for opium if they can dispose of it in British territory. Strict supervision is kept by the Customs, Excise and Police Departments of the State, which appears to be quite effective. The matter is fully dealt with above [*vide* I (2) (V)].

V. The Darbar have been earning from opium a very handsome income annually about a lac of rupees as shown above, which would entirely disappear if the Government policy is carried out; for the State, having entered into an agreement to supply opium to the Government of India, has invested a large capital to improve wells and other sources of water supply for irrigation purposes. All this money would be lost if poppy cultivation is abolished, for no other irrigated crop would be as profitable as opium. The loss to the State and to the opium cultivators would be considerable as shown above [*Vide* I (2) (*i*) (*d*)]. The cultivators receive the price of their opium through the Darbar and hence it enables the Darbar to recover their other dues from the cultivators Owing to prohibition of opium cultivation, the cultivators would be forced to borrow money from others to pay their dues. The Darbar are afraid that the cost at which Government would supply opium to the State from Ghazipur would not be as low as the price at which it could be procured if produced in the State. The supply price to the Government is at present Rs. 10 per seer including producer's profit and the Darbar's profit. The State would not be able to get their supply from Ghazipur at this rate, minus producer's profit and profit to the State. It is also doubted whether opium supplied by Government from Ghazipur would be suitable to the taste and needs of the inhabitants of the State. The cultivators have been producing opium for more than a century and their technical skill in this respect will be of no use to them if the cultivation of opium is totally abolished. Besides this, poppy cannot be replaced by any other crop which is capable of giving an equal return.

VI. If the policy suggested by the Government for the abolition of the cultivation of opium is adopted it would greatly affect the revenue of the State.

VII. Formerly four times as much opium was produced in the State as is at present produced. Ratlam was at that time one of the first commercial towns in Central India, being the centre of an extensive trade in opium, tobacco and salt. The cultivators

earned much on account of opium cultivation, for they were able to pay off State dues from the income they derived from opium and were able to save all that they earned from the profit from other productions. The traders were in a very prosperous condition due to the profit they derived from the export of opium to China and the trade of Ratlam was in a flourishing state, which in recent years went down to the present limits, and further loss would cripple all concerned.

The loss to the cultivator shown above as Rs. 13 per bigha of irrigated land which would tell upon the general prosperity of the agriculturists, and the difficulty or rather impossibility of substituing another crop giving the same return as poppy may be explained below:—

(1) The Ratlam State has been engaged in the production of opium for more than a century and the cultivators have obtained much technical skill which will be of no use to them if abolition is adopted.

(2) The cultivator is growing opium not only for local consumption but for export also. Hence total abolition would mean great loss to him.

(3) Poppy could not be replaced by any other crop that is capable of giving an equal return. Very little barley is grown in Malwa and the Malwa soil is unsuited for tobacco which is imported. As regards potatoes the local variety breaks in the process of cooking and does not keep for as long a time as the imported variety and therefore potato cultivation is not undertaken on a field scale. Cotton, wheat and sugarcane cannot be compared with poppy. The latter is a four-month crop produced during winter months and the poppy fields simultaneously produce, certain other crops such as garlic, dhana, Jira, etc., which yield additional profit. The three former crops exhaust the soil so much that the lands must be kept fallow for a season to allow of recovery. Poppy is followed by maize the principal staple food and this rotation is carried on year after year without exhausting the soil. Rotating with wheat gives a smaller outturn and exhausts the soil to such an extent that the land must be rested after two years of such rotation.

As regards sugarcane it must be noted that 92 per cent. of wells give no water after April. Hence it is impossible to undertake sugarcane plantation on a scale equal to poppy. The cultivators have only a certain fixed area of land and therefore they cannot grow other crops to any considerable extent in order that they may realise profit equal to that yielded by poppy. And even if they had more land they have not got the funds to procure the necessary labour and seed which is obtained at a high rate of interest (25 per cent. per season of 4 months known as Sawan

system). A bigha of poppy requires seed worth only 12 annas, whereas wheat as much as Rs. 4, and sugarcane Rs. 70.

The prevailing prices of several articles shown below show that there is no crop that can compete with poppy as a protfitable crop.

Name of article	Price per pucca maund. Rs	A.	P
Opium	400	0	0
Wheat	6	0	0
Cotton	30	8	0
Tobacco	50	0	0
Maize	4	4	0
Sesame	10	8	0
Gur (boiled sugarcane juice)	16	0	0

In a Note on the Improvement of Agriculture, it is claimed that a variety of sugarcane has been found which can replace poppy It is necessary only to state in short the salient points of the method of planting described, in order that its unsuitability may be exhibited. (1) The land selected for the purpose should be fallowed in the preceding rains. (2) Between the middle of October and the end of November trenches should be dug. (3) From 20 to 30 cart loads of good well rotted manure should be applied to the acre (4) The trenches should then be watered once and then cultivated (5) Planting is begun about the end of February. (6) Good watering of the trenches each succeeding month (7) One more watering after the rains. (8) The crop is ready at the end of the year.

It is claimed that as much as 75 to 80 maunds of Gur of good quality is obtained from one acre. The cost of production is not given in the note

The drawbacks of the system are as follows:—

(a) It is an 18-month crop.

(b) Heavy cost of digging trenches and manuring

(c) Whence to procure the large quantity of water which is necessary in the system. In Ratlam 92 per cent of wells get dry in April and the remainder can hardly supply the necessary water.

(d) How is the cultivator to maintain himself and his family during the 18 months.

(e) Sugarcane stands on the ground till the end of December. The stumps could be cleared thereafter. So wheat could only be sown in October of the following year.

All the above factors and specially the difficulty of getting water would make the system, to my mind, unsuitable for the generality of poor and ignorant agriculturists.

The future of opium production in the Ratlam State, which produces opium at present—In view of the benefits enumerated above which accrue to the State from the cultivation of poppy the abolition of poppy cultivation will prove of considerable loss to

the State and affect adversely the general prosperity of the ryots. As far as known no other crop can be as profitable as poppy. (*Vide* answer to question VII General, at the end of the list of Terms of Reference.) The difference in value to the cultivator in profit if poppy is replaced by wheat works out to Rs. 13 per bigha and sugarcane as far as the cultivation of it is known and practised in these parts is out of the question owing to the general shortage of water and cost of cultivation which is beyond the means of ordinary cultivators. Even if an attempt were made it is impossible to convert all poppy land into sugarcane plantation and if it is done perhaps it will not be profitable being in excess of demand. The only practical solution of the difficulty that suggests itself is to allow the cultivation to continue with this restriction that opium produced in the States of Central India and Rajputana may not be allowed to be exported into British India and *vice versâ*, it being understood that the quantity produced will be generally limited to the requirements of the States themselves and to such other States out of Central India and Rajputana which at present obtain their supply from them.

The Hyderabad Opium Contract.—The Ratlam Darbar has undertaken to supply opium to His Exalted Highness the Nizam's Government for their internal consumption for a period of five years in the first instance and only one year of the agreement has elapsed. The production in the State at present does not leave any margin for the fulfilment of the contract nor can the Darbar increase the produce to enable them to discharge their obligation for a number of years and they have to fall back on produce in Rajputana States to carry them through. In the event of failure to fulfil the contract serious legal tangle with Hyderabad Government is sure to ensue involving financial liability in the shape of compensation and the Darbar therefore view with anxiety any change in conditions of cultivation or of export as obtaining at present. They therefore cannot urge too strongly the continuance of the conditions under which they are at present importing opium from Rajputana and exporting it to Hyderabad without any hindrance and imposition of any duty by the Government. The President and Members of the Opium Committee, the Ratlam Darbar feel sure, will not lose sight of this important fact so vital to the interests of the Ratlam Darbar, in any scheme that may be recommended by the Committee.

Statistical information required in connection with the Terms of Reference.

I. (1) (*a*) and (*c*) The statement required under these heads (given separately) shows the number of acres cultivated with poppy in each year from 1906 to 1927, the actual yield in pucca maunds and seers and the average yield per acre. The variation in the area sown with poppy each year does not so much depend upon more or less rain in the year, as upon other causes such as restriction of opium exports to China in the earlier years and consequent necessity of reducing area under poppy and upon the inclination

of the cultivator, all this being influenced by various circ-tances. From 1905-06 to 1911-12 there was an annual reduc of 10 p. c. as then suggested by the Government and from 1912-13 to 1916-17 there was complete stoppage of po cultivation. And when it was resumed, notwithstanding g seasons, it took time to re-establish the cultivation, as can be s from the smaller figures from 1918 to 1920 and the gradual steady increase in the succeeding years.

The fluctuation in the yield does not also appear to be d to more or less quantity of rainfall in a year, so much as to time falls, and mavtas (winter showers), and other favourable season conditions, *viz.*, absence of frost, hail storms, etc. The maximu yield per acre was in 1908-09 and 1909-10 over 9 seers pucca while 1920-21 and 1925-26 were years of minimum yield, abou 5 seers. During the years 1912-13 to 1916-17 no poppy was cultivated owing to the restriction of trade in opium, and cultivators substituted wheat and cotton in the irrigated land which used to be specially reserved for poppy. This affected the productive capacity of the land adversely and when poppy cultivation was resumed in 1917-18 the yield for several years was not satisfactory. There has been a reduction in the number of cattle also and consequently manure has not been available in sufficient quantity.

(1) (*d*) It is surmised that about 20 p. c. of the cultivators (khatadars or asamis) hold from 30 to 80 bighas of land in the Malwi or plateau portion of the State, about 40 p. c. from 20 to 30 bighas and about 40 p. c. less than 20 bighas. For the purposes of this query an average holding may be taken to consist of say 5 bighas of irrigated (adan) and 20 bighas of unirrigated (mal) land, and this area can be cultivated with one plough (samad) and a pair of bullocks. As said above about 40 p. c. of the holdings are of this kind, while 40 p. c. are so small in area that they are cultivated by ploughs and bullocks borrowed or hired, the cultivator not being able to afford his own samad. The third class of holdings cultivated with two or three samads may be taken to form 20 per cent. as stated above. In the Malwi portion of the State almost all holdings however small have some irrigated land (for poppy cultivation) also. Of the five bighas of irrigated land of the average holding assumed above, two bighas are first sown with maize (kharif) during the rainy season, the succeeding crop being poppy (rabi); and 3 bighas with wheat, gram, peas or garden produce (rabi only). These 3 bighas of adan land are not double cropped, but they are sown either with cotton as a kharif crop or with wheat, gram, etc., as rabi, (requiring little watering). As a wheat crop exhausts the soil, this area is rendered unfit for poppy. Even the maize crop in a field sown with wheat yields only 8 annas in the rupee. To compensate for the exhaustion of the adan land (single cropped and unwatered) sown with wheat, gram, etc., it is usual every third year to sow a crop of san (a kind of flax) and when it is in blossom to plough it into the soil, leaves and stalks together, which forms a sort of green manure. The 2 bighas of double cropped land are

manured with cowdung, about 10 cart-loads being required for a bigha. The mal (dry or unirrigated) land is very seldom manured. In the mal or unirrigated land (20 bighas) jawar is grown on 5 bighas, cotton 5 bighas (both kharif) and the remaining 10 bighas are sown with wheat, gram and linseed (rabi). A statement showing the details of the expenses and the income of the cultivator of such an average holding as assumed above, has been prepared by the Tehsil Department in consultation with some cultivators, I (*i*) (*d*), X. It appears from it that the total income from the assumed average holding of 25 bighas is about Rs. 474, and the expenditure is Rs. 372, leaving Rs. 102 as a margin of profit. The sum of Rs. 372 shown as expenditure includes the cost of the pair of bullocks, the charas or leather bucket, ropes and the food of the animals. A pair of bullocks costs about Rs. 150 and lasts about 5 years and the charas costs about Rs. 22 and lasts about two years and the ropes cost about Rs. 5 and are renewed every year. The cost of food for bullocks (kapasia or cotton seed and khal or oil cakes for about six months in the year) is Rs. 48. The yearly expense on these heads works out to Rs. 94. The sum of Rs. 372 also includes the cost of labour, but if the cultivator himself does the work he may be taken to earn the amount of Rs. 45. Thus the cultivator may be said to have as profit (or rather earning or saving) Rs. 102 *plus* 45, *i.e.*, Rs. 147. [*Vide* statement I (*i*) (*d*), Y.]. The cultivator can keep 2 she-buffaloes, and 3 or 4 cows on his above holding and these give him an income of about Rs. 180 a year or about eight annas a day. The bhusa of wheat and gram, and the karab of jawar are used as fodder for bullocks and other cattle of the cultivators and therefore these items are not shown either under the head of income or under expense.

(2) (*i*) (*a*) The average present assessment per acre of land growing poppy is Rs. 24 and the average assessment per acre likely to be realised, if poppy cultivation were abolished, would come to Rs. 16. The loss in land revenue alone to the State thus comes to Rs. 8 per acre. Taking the average of the last five years, it appears that about 3,000 bighas or 1,500 acres of land was under poppy. The loss to the State if poppy cultivation was entirely abolished would amount to over Rs. 12,000 on this account only.

(*i*) (*b*) The cost to the State of every seer of opium issued from the State Warehouse to the Retail Vendors is Rs. 7-13-7 including the cost of manufacture. The warehouse rate, that is the rate charged to the Contractor, is Rs. 18 per seer of 80 tolas. Opium and hemp drugs shops are combined in the State and the total license fee realizations amount to Rs. 13,101. The proportion of license fee realizations from opium, estimated at Rs. 14-8-0 per seer, is Rs. 4,650.

The total revenue other than land revenue derived from internal consumption thus works out to Rs. 8,000 a year on a consumption of nearly 8 maunds of opium in the State. The retail price is Rs. 40 per seer of opium.

The expense in connection with manufacture of opium is about Rs. 6 per maund. The loss on account of dryage is estimated to be 4 seers in the maund or Rs. 75 to 80 per maund.

(*iii*) There is no special establishment for the regulation and control of the cultivation, manufacture and distribution of opium and hence no extra expenditure on this account.

Regarding the nature of the arrangement for such control please see I (2) (*iii*) of "Information on matters mentioned in the Terms of Reference of the Indian States Opium Committee" submitted previously.

(*vii*)

	Rs	A.	P.
Price paid for crude opium per seer	7	0	0
Cost of supervision	0	0	0
Cost of manufacture per seer	0	2	5
Cost of warehousing	0	0	0
Loss through dryage per seer	0	11	2
Interest charges	0	0	0
Total	7	13	7

Statement showing the number of acres cultivated with poppy in each year from 1906 to 1927, the actual yield in pucca maunds and seers of crude opium and the average yield per acre.

I. (1) (*a*) and (*c*).

Year.	Rainfall inches.	Acres under poppy.	Total yield.			Average yield per acre.		
1	2	3	4			5		
			Mds	Srs.	Ch.	Mds.	Srs.	Ch.
1905-06	22—39	1 571	318	14	10	0	8	2
1906-07	31—14	4,701	1,030	18	10	0	8	12
1907-08	18—91	3,270	745	18	8	0	9	2
1908-09	27—66	2,471	576	4	12	0	9	5
1909-10	31—50	2,323	549	16	0	0	9	7
1910-11	40—92	3,788	626	18	8	0	6	9
1911-12	18—97	1,774	386	4	8	0	8	12
1912-13	29—24	...	...			...		
1913-14	45—24	...	...			...		
1914-15	35—73	...	...			..		
1915-16	20—20	...	...			...		
1916-17	50—33	...	...			...		
1917-18	44—50	1,355	209	27	3	0	6	3
1918-19	10—50	107	23	1	5	0	8	9
1919-20	38—60	617	117	27	10	0	7	10
1920-21	24—57	1,202	159	22	15	0	5	9
1921-22	26—39	1,236	277	37	13	0	8	12
1922-23	31—75	1,575	341	0	7	0	7	10
1923-24	38—34	2,040	371	36	15	0	7	3
1924-25	41—91	1,501	318	29	15	0	8	10
1925-26	21—05	1,130	134	10	1	0	4	12
1926-27	21—76	1,106	313	11	13	0	10	12

Abridged statement showing average expenses, income and saving of a cultivator, holding and cultivating an average holding, consisting of say 5 bighas of irrigated and 20 bighas of un-irrigated land.

I. (1) (*d*), Y.

Crop.	Expenses.			Income from yield.	Savings or profit.	Saving per bigha.
	Cultivator's labour.	Other expenses.	Total.			
1	2	3	4	5	6	7
	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.
IRRIGATED CROPS.						
Adan land, Double Cropped (2 bighas).						
Maize (First Crop)	5 0 0	11 8 0	16 8 0	58 8 0	44 12 0 (Maize and Poppy together)	22 6 0
Poppy (Second Crop)	38 0 0	74 4 0	112 4 0	115 0 0		
Adan land, Single Cropped (3 bighas)						
Wheat, Gram, etc., (Un-irrigated).	31 12 0	46 12 0	78 8 0	92 8 0	14 0 0	4 8 0
TOTAL ADAN	74 12 0	132 8 0	207 4 0	266 0 0	58 12 0	...
UN-IRRIGATED CROPS.						
Mal land (20 bighas).						
Jawar	17 12 0	10 8 0	28 4 0	34 8 0	6 4 0	1 4 0
Cotton	14 12 0	31 12 0	46 8 0	58 0 0	11 8 0	2 4 0
Wheat, Gram, etc.	32 0 0	58 8 0	90 8 0	116 4 0	25 12 0	2 8 0
TOTAL MAL	64 8 0	100 12 0	165 4 0	208 12 0	43 8 0	...
GRAND TOTAL	139 4 0	233 4 0	372 8 0	474 12 0	102 4 0	...
Reference. Columns 13, 14, 15 of detailed Statement, (I). (I) (*d*), X.	*Subtract.*		*Minus.* Cultivator's earning by personal work.		*Plus.* Cultivator's earning by personal work.	
Price of bullocks Rs. 30(*a*)	94 0 0 (total of Rs. 30 + 11 + 5 + 48)					
Price of Charas 11(*b*)	45 4 0					
Price of Ropes 5(*c*)			45 4 0		45 4 0	
Feeding bullocks 48(*d*)			327 4 0		147 8 0	
94						

(*a*) A pair of bullocks, costs Rs. 150, and lasts 5 years.
(*b*) A Charas costs Rs. 22 and last two years.
(*c*) Renewed every year
(*d*) Karab, Kapasia, Khal, etc.

NOTE.—If the cultivator does not work personally but employs a hali (labourer) at Rs. 12 per mensem his profit or saving is almost insignificant.

Export duties on agricultural produce and cattle.

I. (1) (*d*), Z.

Serial Number.	Article.	Weight.	Duty.	Remarks.
		Md.	Rs. A. P.	
1	Staple food grains, etc. (wheat, makka, jawar, gram, orad, mung, tuar, chavla, batla, etc.)	1	0 1 5½	
2	Oil-seeds (til, ramtilli, alsi, and opium seed).	1	0 1 2½	
3	Cotton (unginned Kapas)	1	0 1 6	There is no export duty in force on cattle, but on the sale of bullocks and buffaloes Rs. 4 per cent. of the sale price is charged as Maweshi lag; and on sale of horses and camels 6 per cent of price.
4	Opium (State produce) .	1	14 4 7 (per chest Rs. 25).	
5	Gur (Molasses) . .	1	0 1 11½	
6	Chillie, Garlic, adrak and dhanna.	1	0 2 10½	
7	Groundnut . . .	1	0 1 11½	
8	San	1	0 8 0	
9	Cotton seed . . .	1	0 3 0	

Statement showing (for the last three years) the total quantity of crude opium produced, the total payment made to cultivators, the quantity challaned to Ghazipur, the payment received from Government and the cost of establishment and incidental expenses.

(2) (*i*) (*d*).

Serial Number.	Year.	Total quantity produced.	Total payment to cultivators for opium supplied to Government.	Quantity challaned to Ghazipur.	Payment received from Government.	Cost of maintenance of Joint Opium Officer and Staff.	State Opium Clerk's pay.	Incidental expenses during weighment (cart hire, hammali, rasad, etc.).
		Mds	Rs.	Mds.	Rs.	Rs.	Rs	Rs.
1	1925	319	1,28,330	319	1,60,714	1,0 4	180	165
2	1926	132 +2	52,891	132	76,168	3,296	180	142
3	1927	301 +12	89,606	301	1,20,327	2,273	180	145
	Total .	766	2,70,827	752	3,57,209	6,583	540	452

Loss to State if poppy cultivation is discontinued.

	Rs.	Rs.
The total average annual revenue of all kinds from opium . .	1,12,000	
1. Extra land revenue from land cultivated with poppy; 3,000 bighas at Rs. 4 per bigha	12,000	
2. Profit to State on opium supplied to Government; 300 maunds at Rs. 3 per seer	36,000	
3. Duty on poppy seed, leaves, etc. (transport as well as export duties on about 6,000 maunds of seed) .	1,000	
4. Excise revenue from internal consumption of opium .	8,000	
TOTAL .		57,000
5. Export duty on opium supplied to Hyderabad .	5,000	
6. Profit from opium supplied to Hyderabad . .	50,000	
TOTAL .		55,000
GRAND TOTAL .		1,12,000
Loss to the State in the event of abolition of poppy cultivation for supply to Government, items 1, 2 and 3 . .	49,000	
Prospective loss to the State if extension of poppy cultivation is withheld (5,000 bighas at Rs. 4 per bigha) . .	20,000	
TOTAL .		69,000
Loss to the cultivator—		
1. If poppy cultivation for supply to Government is discontinued (3,000 bighas at Rs. 18 per bigha. Opium can be substituted by wheat only. Profit on opium is Rs. 22-8 per bigha and on wheat Rs. 4-8, *i.e.*, Rs. 18) . . .	54,000	
2. If poppy cultivation for supply to Hyderabad is not extended 5,000 bighas at Rs. 18 per bigha . .	90,000	
TOTAL .		1,44,000

Statement showing (for the last three years) the total quantity of crude opium produced, the total payment made to cultivators, the quantity challaned to Ghazipur, the payment received from Government and the cost of establishment and incidental expenses.

2 (1) (d)

Serial Number	Year	Total quantity produced	Total payment to cultivators	Quantity challaned to Ghazipur	Payment received from Government	Cost of maintenance of Joint Opium Officer and Staff	State Opium Clerk's pay	Incidental expenses during weighment (cart hire, hammali, rasad etc)
		Mds	Rs	Mds	Rs	Rs	Rs	Rs
1	1925	319	1 29 389	319	1 60,714	1 014	180	165
2	1926	132 +2	52 756 +633	132	76 168	8 296	180	142
3	1927	301 +12	83 128 +3 191	301	1 20 327	2 273	180	145

Statement showing the estimated expenses, income and saving (or profit) of a cultivator holding and cultivating an average holding (consisting of 5 bighas of irrigated and 20 bighas of un-irrigated land).

1 (1) (d) X.

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23
	Expenses.																					
	Cultivator's personal work.															Other expenses.						
		Tilling of land.		Harrowing.		Seeding.		Weeding with Karpa.		Drawing water with Leather bucket.		*Bullocks.	* Charas.	* Ropes.	Total expenses.	Assessment.		Weeding.		Watering one labourer employed.		Seed.
Crop.	Bighas.	Days.	Amount.	Days.	Amount.	Days.	Amount.	Days.	Amount.	Days.	Amount.	Amount.	Amount.	Amount.	Amount.	Rate per bigha.	Total amount.	Persons to be employed.	Amount to be paid.	Days.	Amount.	Weight.
IRRIGATED CROPS.																						
Adan (2 bighas double cropped)	...	...	...	...	...	...	...	...	...	...	...									...	...	
Maize (First crop)	... 2	2	1 13 0	1	1 0 0	1	1 3 0	1	1 0 0	Nil.	0 0 0	...	...	...	5 0 0	13 0 0	24 0 0	17	4 4 0	...	...	½ Md.
Poppy (Second crop).	...	13½	13 4 0	2	1 12 0	1½	1 4 0	0	0 0 0	22	21 12 0	...		...	38 10 0			150	11 4 0	20	6 4 0	⅛ Md.
Adan, (3 bighas single crop). Wheat, Gram, etc. (irrigated little).	3	6	6 0 0	1½	1 4 0	6	6 0 0	...	...	18½	18 8 0	...	...	...	31 12 0	8 0 0	24 0 0	13	3 0 0	1	0 4 0	Wheat 2½ Mds. Gram 1 Md. San 1 Md.
UN-IRRIGATED. CROPS. Mal (20 bighas dry land).																						
Jawar . . .	5	7	10 0 0	3	3 8 0	1½	1 4 0	4	4 0 0	...	...	...	...	...	17 12 0		8 12 0	1	0 4 0	...		19 Srs.
Cotton . .	5	5	5 0 0	1½	1 8 0	3	3 4 0	5	5 0 0	...	...	...	...	...	14 12 0	1 12 0	8 13 0	60	14 8 0	...	...	1 Md. 3 Srs.
Wheat, Gram, etc.	10	11½	12 0 0	10	10 0 0	10	10 0 0	...	...	...	...	...	...	...	32 0 0		17 8 0	5	1 8 0	...	...	10 Mds.

* Please see next statement I. 1 (d) Y.

Statement showing the estimated expenses, income and saving (or profit) of a cultivator holding and cultivating an average holding (consisting of 5 bighas of irrigated and 20 bighas of un-irrigated land)—contd

Crop. 1	Expenses: Seed 2 Cost	Other Expenses: Manure 3 Cart Loads	Manure 4 Cost	Raising mud ridges for water course 5 Persons	6 Amount	Lancing Reaping, or picking 7 Persons	8 Amount	Total 9 Amount	Grand total of expenses 10 Amount	Income: Crop produced 11	Weight 12	Rate per Mani 13	Amount in Rupees 14	Total 15	Saving or profit 16	Profit per bigha 17
IRRIGATED CROPS Adan (3 bighas double cropped.) Maize (First crop) Poppy (Second crop)	0 12 0 3 3 0	10	5 4 0	4	4 1 0	5 85	1 4 0 7 8 0	11 8 0 74 4 0	18 8 0 112 4 0	Maize Opium Opium Seed Garlic	3½ Mani ¾ Md. 6¼ Md 3½ Md	18 0 0 Rs 40 per 5 Srs Rs 48 per Mani Rs 21 per Mani	58 8 0 60 0 0 26 0 0 9 0 0	58 8 0 115 0 0	42 0 0 2 12 0	22 6 0
Adan (3 bighas single crop) Wheat Gram etc (Irrigated little)	7 0 0 2 8 0 2 0 0					8	6 0 0	40 12 0	78 8 0	Wheat Gram	2¼ Mani 5 Md	Rs. 30 per Mani Rs 21 per Mani	75 0 0 17 8 0	93 8 0	14 0 0	4 8 0
UN-IRRIGATED CROPS Mal (20 bighas dryland) Jawar	1 8 0					23	6 0 0	10 8 0	28 4 0	Jawar	Mani Md 1¼ 1¼	Rs. 70				
Cotton	2 8 0					22		31 12 0	48 …							
Wheat Gram, etc	28 4 0															

REPORT FOR THE REWA STATE.

Rao Sahib PANCHOLY KESARI SINGH, Industries Commissioner of the Rewa State, is the Committee Member representing the State.

A Note and Statements containing the information required on the Terms of Reference, supplied by the Secretary, Rewa Darbar, with his letter, No. 970/26-Exc., dated the 5th March 1928, through the Political Agent in Baghelkhand, are recorded by the Committee as an accompaniment to this Report.

There is no poppy cultivation in the State, and there are no stocks of opium in the hands of merchants or private persons. The Committee's discussion has therefore been mainly concerned with the following three points of importance, in regard to which the Committee unanimously records the conclusions given below:—

1. The President explained that a scheme is under discussion having for its object the purchase and storage in godowns in a central position of all stocks of old opium at present in the possession of merchants and private persons in Central India and Rajputana. These stocks are roughly estimated at 25,000 to 30,000 maunds, and the object of the scheme is to enable them to be placed immediately under control and to be passed into consumption as quickly as possible.

The consumption in the Rewa State in 1926-27 was 23 maunds 8 seers, representing in the population of 1,401,672 a consumption of 6·6 seers per 10,000.

The Rewa Darbar recognise the importance in the general interest of assisting the absorption of the old stocks. They retain the inherent right of producing opium in the State, but are prepared to refrain from exercising that right and to obtain from the central stocks the opium required for internal consumption in the State, until the stocks are exhausted, provided—

(1) that the opium is of good quality;

(2) that the authority by which the old stocks are bought and resold to the States makes no profit on the transaction, the price charged being arranged so as merely to cover expenses; and

(3) that the price does not exceed the cost of production in Central India.

The Rewa Darbar consider also that the States in which the stocks are held should forego the levy of export duty on these stocks.

2. The Committee then discussed the proposal of the Government of India that the States should, after the old stocks are exhausted, obtain their supplies of opium at cost price from the Ghazipur Factory.

The Rewa Darbar are prepared to agree to this proposal under the following conditions —

(1) The Darbar consider that the principle of duty following consumption should be applied to the import into the State from British India of all intoxicating drugs or Indian manufactured liquors, and that the Provinces of export should cease to levy internal duties on such drugs and liquors imported into the State

(2) Should the cost price of Ghazipur opium be increased at any time, the Darbar should be entitled to obtain from the Government of India for their own satisfaction the facts and figures justifying the increase

(3) There should be no poppy cultivation in the United Provinces close to the border of the Rewa State, a border zone being left free from cultivation wide enough to prevent the possibility of illicit import of crude opium into the State

3 The third question discussed was the possibility of enhancing the selling price of opium in the State

The present annual consumption in the State is 23 maunds 8 seers on the figures of 1926 27 The State realized by taxation in that year Rs 54 255, the present cost price of opium being Rs 11-7 per seer, the issue price Rs 45 to Rs 50 and the retail sale price Rs 75 to Rs 80

The Rewa Darbar are prepared to raise the selling rate of opium in the State to a degree corresponding as nearly as may be possible with that in force at present in British India provided—

(1) that the enhancement is carried out by gradual stages,

(2) that the same price is enforced in all the neighbouring States,

(3) that the Darbar are satisfied that the enhancement of price will not seriously affect the finances of the State or cause hardship to legitimate consumers

J A POPE, *President*
AZIZUDDIN AHMED, }
G S HENDERSON, } *Members*
KESARI SINGH, }

Dated Satna, the 19th March 1928

Accompaniments to Rewa State Report

Copy of a letter, No 970/26 Exc , dated the 5th March 1928, from the Secretary, Rewa Darbar, Rewa, to the Political Agent in Baghelkhand, Satna

With reference to the correspondence resting with my letter, No 745/26 Excise, dated the 6th February 1928, I have the honour

to enclose copies of the questionnaire of the Opium Committee with their replies as far as possible in triplicate and two statements.

2. The policy which the Darbar propose to follow is indicated in the reply to question No. VII and discussed in the following paragraphs.

3. The Northern Tahsils of Teothar and Mauganj, bordering on the Allahabad and Mirzapore Districts, are very suitable for opium cultivation. In the eighties of the last century much opium was grown and sold outside the State. Its cultivation was, however, discouraged during the minority of His late Highness when the State was being administered by the Government of India for the Maharaja. The area under poppy was contracted with the result that the State could not produce sufficient opium for local requirements. Again its cultivation was stopped during the Regency about the year 1920 and has been in abeyance since. Orders were under issue early in 1927 to start cultivation of opium but have been kept pending in view of the discussions initiated at the instance of the Government of India, *vide* your office Memorandum No. 83-84-27, dated the 12th February 1927.

4. In the opinion of the Darbar the question of the concentration of the cultivation of opium, though an important one, does not stand alone and that a uniform policy should be decided on for all intoxicating drugs including opium, Ganja, Bhang, Charas and for liquors. So far the Government of India have found themselves unable to assist the Darbar in the matter. We were practically told that the local Governments would remit their duties on drugs not as a matter of justice or fair play but only out of fear of competition. Please see your predecessor's letter, No. 270-C, dated the 3rd July 1907 (copy attached for facility of reference).

5. The Darbar obtain their supply of Ganja (locally known as Sanawad Ganja) and a duty of Rs. 25 per maund is paid to the Indore Darbar. The duty on Baluchar Ganja in the United Provinces is Rs. 35 *per seer*. Again the United Provinces Government impose a duty of annas 2 per gallon on London proof spirit if imported into Rewa. The Darbar have been informed by the Excise Commissioner, Central India, who is President of Opium Committee that the U. P. Government are not likely to remit this duty.

6. For the reasons given above the Darbar find themselves unable to accept the proposition that they should purchase their opium, say from Ghazipur at cost price, unless and until the question of other intoxicating drugs and liquors is decided at the same time. The matter of imposition or levy of duty on salt is not dissimilar but the Darbar do not propose to discuss it in this letter.

7. If and when the matter referred to in paragraphs 3 to 6 above can be satisfactorily settled there will be time to discuss question of details for example.

(1) The U. P. Government should not grow opium in the vicinity of the Rewa State say in the districts of Allahabad and Mirzapore. It is being grown (has at least been grown in recent years in the

Island villages of Chaunkhandi Khoha lying within the Teonthar Tahsil of the Rewa State).

(2) The Darbar should also have the right to scrutinize how the figures of cost price for opium and other drugs are arrived at.

8. Rao Saheb Pancholy Kesari Singh, Industries Commissioner, Rewa State, will meet the Opium Committee at Satna on behalf of the Darbar to sit as member of the Committee as far as Rewa Darbar is concerned. The Darbar do not propose to produce any evidence before the Committee.

Copy of a le[illegible] No. 970 G [illegible] July 1907, from the Political Age[illegible] to His Highne[illegible]

I have [illegible] and 6909, dated respe[illegible] February 1907 regarding the request of the Darbar for the exemption from taxation in British India of Charas and Baluchar Ganja supplied for [illegible] State.

[illegible] of these letter and of enclosures were duly [illegible] the Agent to the Governor General and I am now desired to say that the matter has been fully represented to [illegible] been unable to accede to the [illegible]

[illegible] of the Darbar that the position [illegible] that of the States to which [illegible] plies of excisable commodi[illegible] not in itself in a position to [illegible] duty free supply, and cannot therefore offer Government a *quid pro quo*, in the shape of prohibition of local production, for the concession that it desires. The principle on which the policy of the Government of India is based is that concessions of this character should be granted only to States that are in a position to offer such a *quid pro quo* which was obtained in the [illegible] ganja supplied to Cooch [illegible] Ganja [illegible] refore, [illegible] ticle of [illegible] India before [illegible]

[illegible] *To en-* [illegible] *States of* [illegible]

(1) AGRICULTURE.

(a) *The extent to which poppy is cultivated in each State.*

(a) The opium has been cultivated in the Rewa State for a number of years and there has been no cultivation since the year *1920*.

A statement showing 1—Area under cultivation, 2—quantity of crude opium produced, 3—quantity of excise opium obtained from crude opium, 4—consumption, 5—cost of production, 6—rate of supply price, 7—rate of retail sale price and 8—incidence of consumption per 10,000 people for the years 1884-85 to 1926-27 is enclosed.

(b) The quality and nature of the lands on which it is cultivated and the amount of irrigation required and the nature of the arrangements for such irrigation.

(b) When opium was grown in the State it was cultivated in the Tahsils of Teonthar and Mowgunj. Opium was grown in village Sohagi in abundance which has large and well irrigated "gauhans". Cultivators were advanced 'Taquavi' and provided with money to construct wells for watering purposes of poppy fields.

(c) The liability of the yield of the crop to fluctuate owing to seasonal conditions.

(d) From cultivator's point of view the opium cultivation is *was compared with other crops from the point of view of the cultivators.*

(d) From cultivator's point of view the opium cultivation is advantageous as compared with other crops. Though it demanded much labour but at the same time yielded greater profit.

(e) The possibility of substituting other crops for poppy and the effect on the cultivator of such substitution.

(e) Wheat and linseed have been substituted for poppy though not with the same profit.

(2) FINANCIAL.

(i) The average revenue derived by the State from opium under the following heads:—

(a) Land revenue, distinguishing revenue from land cultivated with poppy for supply to the Government of India, that from land cultivated with poppy for supply to other States and that from land cultivated with opium for internal consumption.

(a) The State has not supplied opium to Government for many years.

(b) Revenue other than land revenue derived from internal consumption.

(b) The average annual income to the Rewa State (based on the figures of revenue of the last three years) from the consumption of opium is Rs. 50,296.

(c) Revenue other than land revenue derived from export to other States.

(c) Nothing.

(d) Revenue other than land revenue derived from sale to the Government of India.

(d) When opium was cultivated in the Rewa State $38\frac{1}{2}$ maunds of crude opium was supplied to the Government of India in 1885-86 and 38 maunds and 7 seers in 1886-87. But the figures of revenue are not available now.

(e) Any other form of revenue.

(e) The Rewa State derives revenue from opium from license fee and difference between the cost and issue prices.

(ii) The proportion that the total revenue of all kinds from opium bears to the total revenue of the State.

(ii) The total annual income of the Rewa State in the year 1926-27 was Rs. 61,86,648-4-$8\frac{1}{2}$ and that from opium was Rs. 54,255-1-3. Thus the incidence of opium revenue as compared with the total revenue of the Rewa State was 0·008.

(iii) Expenditure upon the regulation and control of the cultivation, manufacture and distribution of opium and the nature of the arrangements for such control.

(iii) There has been no cultivation of opium in the Rewa State since the year 1920 and so the Rewa Durbar had to make no expense on this account. When opium was cultivated in the State the expenditure upon the regulation and control of the cultivation, manufacture and distribution of opium was Rs. 1,200 approximately a year. A preventive staff was maintained to supervise cultivation, etc.

(iv) Loss of revenue to the State due to illicit practices in areas where opium is cultivated.

(iv) Nothing.

(v) Loss of revenue due to smuggling of opium from outside the State.

(v) There has since long been a complaint of opium smuggling from the adjoining opium shop of Mahdeva in the Sohawal State and it is yet suspected to exist, thus causing loss to the opium revenue of the Rewa State to a certain extent

(vi) The present cost and selling price of opium, the possibility of gradually raising the letter and the effect upon the State's finances of such a policy.

(vi) The cost price of opium from the last consignment has averaged at Rs. 10-10-0 per seer and the retail sale price is Rs. 80 per seer. Looking to the present condition there appear prospects of raising gradually the retail sale price to Rs. 100 whereby no loss to the Revenue of the Rewa State is likely to accrue.

(vii) The present sources of supply and the possibility of meeting the demand in the first instance from stocks held in the State under consideration taken as a whole,

and ultimately from Gazipur, with special reference to the financial results of such a policy so far as these do not fall under any of the heads mentioned above.

(*vii*) Opium for consumption in the Rewa State is imported from Rajputana and Malwa through the Excise Commissioner for Central India and the Adviser on Opium Affairs in C. I. and Rajputana. If the Rewa Durbar decide to obtain their opium supplies from Gazipur they would have the right to scrutinize what is called " the cost price ".

(*viii*) *Effect of discontinuance of cultivation of poppy on States that cultivate only for the Government of India and what steps if any can be taken to meet the same.*

(*viii*) Nothing.

II. *Consumption in the State.*—(*i*) *The manner in which opium is used, the purpose for and occasions on which it is used and the extent to which it is used and, in particular, to which it is administered to children.*

(*i*) Opium in the Rewa State is used in the following four different ways :—

(*a*) eating, (*b*) smoking, (*c*) for medical purposes and (*d*) is administered to children as medicine. Opium is smoked only when prepared as " Madak ". Quantity of opium consumption under different heads named above cannot be ascertained from the records and accounts maintained in retail sale shops of opium, nor is it possible in any way to gather this information but smoking is not prevalent to great extent.

(*ii*) *The forms (ball, biscuit, etc.) in which opium is used in the State.*

(*ii*) The ball opium is used in the Rewa State.

(*iii*) *The chemical composition of opium when prepared for consumption in the manner prevalent in the State and its physiological effects upon the consumers when so consumed.*

(*iii*) All that can be said is that the opium grown in the State was of better quality and people preferred it to Malwa opium.

(*iv*) *The possibility and desirability of effecting a substantial reduction in the amount of opium consumed in the State, the means (increase of selling price or otherwise) by which this could be effected and the financial or other obstacles to such reduction in so far as these have not been dealt with under any of the heads above.*

(*iv*) In 1919-20 the rate of retail sale price of opium was raised from as. 6 to as. 9 per tola, *viz.*, from Rs. 30 to Rs. 45 per seer. The effect of this increase was a decrease of 3 maunds 17 seers 3 chatacks

and $4\frac{1}{4}$ tolas in the consumption of opium and also a fall of Rs. 509-10-3 in income. Later on when the rate was raised from as. 9 to as. 15 per tola, *viz*, when the rate of retail sale price was raised to Rs. 75 per seer there was no noticeable decrease in consumption of opium although there was an appreciable increase in revenue in the year 1925-26 as compared with that of 1918-19. It cannot definitely be said, that an increase in the retail sale price will result in further reduction of consumption of opium without affecting the State income.

The position with reference to the opium consumption in the Rewa State is that the consumption per 10,000 of the population is approximately the same as the League's standard. A statement showing consumption of opium and income derived from it is attached for the years 1918-19 to 1925-26.

III. *Stocks of opium in the State, their quantity, by whom they are held, their value, the extent to which they are already under State control and how best they could be disposed of.*

III. This question appears to concern more with the States where opium is cultivated and stocks are maintained. In the Rewa State opium is imported twice a year and is stocked in the State godowns under the charge and control of the State Excise Officers concerned. From the State godowns it is issued to retail sale licensee according to need.

IV. [illegible] *and prevalence,* [illegible] *their present* [illegible] *improvement.*

IV. [illegible] from th[illegible] smuggli[illegible] exists n[illegible] vice ve[illegible] from th[illegible] be termed as "Smuggling". The Preventive Staff of the Rewa State consists of 4 Deputy Superintendents, 16 Inspectors and 18 Girdawars under the Superintendent and the Joint Superintendent.

V. *Purchase from Gazipur.—The advisability and practicabilit*[illegible] *Gazi*[illegible] *State*[illegible] *and*[illegible] *their*[illegible]

V. The wholesale rate of Gazipur opium is not known and hence it is not possible at this stage to say whether it would be worth while to purchase Gazipur opium. The Malwa opium, imported lately, cost the Rewa State at Rs. 10-10 per seer and the State produced it at about Rs. 7 to Rs. 9 per seer when opium was cultivated in the

State. If Gazipur opium costs the Rewa State higher than this it would mean loss to the State revenue. As regards taste it is impossible to say anything in this connection since the State consuming public does not know Gazipur opium taste.

VI. *The policy suggested by the Government of India.—The advisability and practicability of adopting the policy suggested by the Government of India, namely, the discontinuance of cultivation in the States, the purchase of opium by the States from Gazipur at cost price and the adoption by the States of the policy of maximum revenue from minimum consumption so as, ultimately, to raise the sailing price to a level with that in the adjoining British districts thereby removing the incentive to smuggling and reducing consumption.*

VI. Malwa is known to have got a big stock of opium and thus the Rewa State gets its supply from there cheap and if at present opium, cultivation of which was temporarily stopped owing to its cheapness in the outside markets of Malwa and Rajputana, be cultivated in the State it may not be paying to the State. But when this stock of Malwa is exhausted there is no likelihood that the State would get its supply so cheap as it gets now and then it would perhaps be beneficial to the State to revive its opium cultivation for local consumption at least if not for export and thus protect its opium revenue. If Gazipur can supply opium at the rate at which Malwa supplies now there would, probably, be no objection to the purchase of opium from Gazipur provided also that it suits the taste of the consuming public of the Rewa State which is at present accustomed to the use of Malwa opium. If the retail sale price of opium is raised to that prevailing in the adjoining British districts it is doubted if the Rewa Subject can afford to pay. The Rewa State is not under any obligation to assimilate its opium administration with the British Government but the Durbar have progressively pursued the same policy as the neighbouring British provinces.

At the Simla Opium Conference the Opium Agent at Gazipur when asked about the probable price which States would have to pay if ultimately they decide to purchase from Gazipur said roughly Rs. 18 per seer, *viz.*, nearly double the price at which the State at present gets its supply. From the statement of production of opium in the Rewa State enclosed herewith it would be seen that the State produced it at about Rs. 7 to Rs. 9 per seer. And in the circumstances it may be thought advisable in the interests of both the consuming public and the excise revenue of the State to revive the opium cultivation.

VII. *Any other subjects relevant to the matter mentioned above.*

VII. While the Durbar realise the importance of the situation created by the Government of India indicating that a new policy

is necessary to be initiated towards the trade in opium it appears to the Durbar that the question of opium though by far the most important does not stand alone and one and the same policy should be decided once for all for all intoxicating drugs and liquor, whether English or Country. If Opium, Ganja, Bhang, Charas and liquors can be supplied at the cost price the Durbar would most favourably consider the proposal of not growing opium.

The Rewa State has produced some or all of the hemp drugs and opium in the past and there is no reason why it may not produce them again with financial advantage both to itself and its people. Therefore it appears to the Rewa Durbar that wider aspect of the question should be taken into consideration and not of only one drug. It has lately come to the notice of the Durbar that besides Ganja and Bhang and Charas the U. P. Government levies an export duty of as. 2 per P. G. on country liquor as well. The U. P. Government also levies an export duty at Rs. 35 per seer on Ganja Balucher imported into the State for local consumption. These taxations should be remitted in favour of the Durbar.

If however it is ultimately decided that the poppy cultivation cannot be revived in the Rewa State for one reason or the other it is not understood how the U. P. Government which grows opium in the vicinity of the Rewa State and more particularly in the village of Chaukhandi which is an island village of the Allahabad District in the Teonthar Tahsil of the Rewa State can continue doing so. The cultivation of poppy should be stopped. However watchful the authorities be, the State is likely to suffer if this island village goes on producing opium when it is stopped all round.

Moreover it is very necessary to elucidate what is meant by supply at cost price. The actual figure may be one at one time and some other at other time. The finances will be affected if the cost price is fluctuating and fluctuate it must unless it is agreed that supply will be made at a fixed price. It therefore appears necessary that the Rewa Durbar, in the event of their deciding to purchase their supply of opium from godowns in British India should have the right to scrutinize what is called "the cost price" of opium and other intoxicating drugs.

It would be seen that the significance of pursuing the policy outlined by the Government of India in their letter No. 452-1/26, dated the 27th January 1927, is fully realised but at the same time the position should be made clear. A broader outlook should govern the consideration of the question. Opium does not stand alone. One policy should dominate and govern all intoxicating drugs including imported liquor. In conclusion it may be said that the Durbar have the right to revive poppy cultivation if this is not to be so they should be supplied opium at cost price and all intoxicating substances including liquors whether English or Country free of duty. Moreover the U. P. Government should abandon poppy cultivation in Choukhandi and on the Rewa State border.

Statement showing cultivation, production,

Serial No.	Year.	Details of production of Rewa opium.						
		Area under cultivation in bighas	Crude opium produced.			Excise opium prepared.		
			Mds.	Sr.	Chh.	Mds.	Sr.	Chh.
1	1884-85 . . .	...	54	32	0	41	8	7
2	1885-86 . . .	...	*64	35	0	18	13	0
3	1886-87 . . .	...	†55	14	0	12	11	13
4	1887-88 . . .	...	46	35	7	33	0	0
5	1888-89 . . .	...	57	6	9	41	39	1
6	1889-90 . . .	...	31	36	1	23	31	0
7	1890-91 . . .	...	39	0	4	30	1	0
8	1891-92 . . .	...	23	15	2	17	18	0
9	1892-93 . . .	...	5	32	10	4	35	8
10	1893-94 . . .	...	25	26	1	18	4	13
11	1894-95 . . .	...	22	38	15	16	20	13
12	1895-96 . . .	...	29	3	10	20	20	13
13	1896-97 . . .	...	36	34	8	28	1	0
14	1897-98 . . .	...	12	7	7	9	24	6
15	1898-99 . . .	...	19	32	10	15	19	8
16	1899-1900 . . .	...	25	10	5	19	34	0
17	1900-01 . . .	...	25	29	7	19	19	0
18	1901-02 . . .	...	12	36	4	9	15	11
19	1902-03 . . .	...	14	30	7	11	37	4
20	1903-04 . . .	...	24	38	1	19	32	0
21	1904-05 . . .	...	21	25	10	15	34	12
22	1905-06 . . .	...	29	28	6	20	5	11

* 38 Mds. 20 Sr. Crude opium
† 38 „ 7 „ „ „

purchase and export of Opium in Rewa State.

Details of opium purchased from outside.	Annual consumption of opium in the State.	Cost Price per seer.		Issue price per seer.	Retail sale price per seer.	Opium consumed per 10,000 men.
		State produce.	Imports from outside.			
Mds. Sr. Chh	Mds. Sr. Chh	Rs a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Seer.
...	...	...	...	...	...	...
...	...	...	...	...	...	...
...	...	...	...	...	...	...
...	...	...	...	...	...	...
...	...	...	...	...	...	...
...	...	...	...	...	...	...
...	...	...	...	...	...	...
...	...	...	...	...	...	...
...	...	...	...	...	...	...
...	...	...	...	...	...	...
...	...	...	...	...	...	...
...	...	...	...	...	...	...
...	...	...	...	...	...	...
...	...	...	...	...	...	...
...	...	...	...	...	...	...
...	...	...	...	...	...	...
...	...	...	...	...	...	...
...	...	...	...	...	...	...
...	...	...	...	...	...	...
...	...	...	...	...	...	...
...	...	...	...	...	...	...
...	...	...	...	...	...	...

supplied to British Government.

" " "

Statement showing cultivation,

Serial No.	Year.	Details of production of Rewa opium.						
		Area under cultivation in bighas.	Crude opium produced.			Excise opium prepared.		
			Mds.	Sr.	Chh.	Mds.	Sr.	Chh.
23	1906-07 . . .	...	36	4	1	26	22	3
24	1907-08 . . .	...	22	5	5	15	11	0
25	1908-09 . . .	282	16	24	12	12	39	0
26	1909-10 . . .	300	24	26	7	18	36	0
27	1910-11 . . .	300	27	39	15	21	17	0
28	1st April 1911 to 30th September 1911.	300	23	15	3	17	16	0
29	1st October 1911 to 30th September 1912.	250	21	4	6	17	32	4
30	1912-13 . . .	175	14	39	7	11	27	5
31	1913-14 . . .	100	9	16	3	7	27	12
32	1914-15 . . .	125	9	34	13	7	35	6
33	1915-16 . . .	175	15	22	12	12	34	12
34	1916-17 . . .	200	18	4	8	13	27	10
35	1917-18 . . .	250	14	21	13	11	21	0
36	1918-19 . . .	80	4	2	2	3	5	11
37	1919-20 . . .	80	4	5	3	3	17	0
38	1920-21 . . .	...	......			......		
29	1921-22 . . .	...	......			......		
40	1922-23 . . .	...	......			...		
41	1923-24 . . .	...	......			......		
42	1924-25 . . .	...	......			......		
43	1925-26 . . .	...	......			......		
44	1926-27 . . .	...	......			......		

production, purchase and export, etc.—contd.

Details of opium purchased from outside	Annual consumption of opium in the State.	Cost price per seer.		Issue price per seer.	Retail sale price per seer.	Opium consumed per 10,000 men.
		State produce.	Imports from outside.			
Mds. Sr. Chh.	Mds. Sr. Chh.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Seer.
......	......	8 0 6	...	16 0 0	21 0 0	...
25 23 12	35 38 11	8 7 5	11 12 9	16 0 0	21 0 0	10·8
25 23 12	32 33 2	7 7 0	9 3 0	16 0 0	21 0 0	9·4
......	32 37 10	7 10 4	..	18 0 0	25 0 0	9·7
23 18 4	34 33 0	7 13 8	10 12 4	18 0 0	25 0 0	9·1
......	17 15 3	7 14 6	...	18 0 0	25 0 0	4·7
25 25 14	40 8 0	7 11 10	...	18 0 0	25 0 0	9·2
71 38 1	40 21 12	6 11 10	9 8 4	18 0 0	25 0 0	10·7
......	35 36 8	7 2 1	...	18 0 0	25 0 0	9·5
......	32 28 5	7 1 1	...	18 0 0	25 0 0	8·6
29 27 14	37 0 14	8 3 5	10 2 9	22 0 0	30 0 0	9·6
58 31 2	40 0 2	7 14 10	13 10 3	22 0 0	30 0 0	10·6
......	41 5 7	9 3 0	...	22 0 0	30 0 0	10·9
33 33 2	33 12 3	8 5 1	21 1 3	22 0 0	30 0 0	8·8
27 13 3	28 34 15	7 11 3	17 8 3	32 8 0	45 0 0	7·7
17 0 0	25 23 14	...	14 6 6	32 8 0	45 0 0	6·8
25 18 14	25 12 12	...	11 12 1	33 8 0	46 4 0 50 0 0	7·2
26 13 11	27 21 7	...	16 8 0	40 0 0	60 0 0	7·8
28 35 0	24 30 5	...	14 8 0	40 0 0	60 0 0	7·1
27 1 6	24 33 6	...	13 10 0	45 0 0	70 0 0	7·0
27 7 9	25 7 6	...	12 7 0	45 0 0	70 0 0 75 0 0	7·1
27 8 15	23 8 0	...	11 7 0	45 0 0 50 0 0	75 0 0 80 0 0	7·3

Statement showing sales and profit of opium for the years 1918-19 to 1926-27.

No.	Year.	Quantity of opium issued.			Income derived.		
		Md.	Sr.	Ch.	Rs.	A.	P.
1.	1918-19	33	12	3	26,160	2	9
2.	1919-20	28	34	15	25,658	8	6
3.	1920-21	25	23	14	32,253	6	6
4.	1921-22	25	12	12	30,290	13	6
5.	1922-23	27	21	7	37,233	1	0
6.	1923-24	24	39	6	42,993	12	3
7.	1924-25	24	33	6	46,044	15	0
8.	1925-26	25	7	6	50,589	11	6
9.	1926-27	23	8	0	54,255	1	3

REPORT FOR THE SAILANA STATE.

Rai Bahadur Pandit RAJ KISHEN KAUL, Diwan of the State, is the Committee Member representing the State.

Statements supplied by the Darbar containing information required in answer to the Terms of Reference, together with a Brief Summary of the Sailana Darbar's views, are recorded by the Committee.

The Committee unanimously records the following conclusions:—

I.—OLD STOCKS OF OPIUM.

The present stocks are as follows:—

	Md.	Sr.	Ch.
Belonging to the Darbar	19	24	11
Belonging to merchants, stored in the State warehouse	3	30	8
TOTAL .	23	15	3

The consumption in the State on the average of the last five years is approximately 72 seers, so that the opium in possession of the Darbar is sufficient for about 10 years' consumption.

The Darbar does not set apart any land for production of opium for internal consumption but retains opium rejected as unsuitable for despatch to Ghazipur. There will consequently be some yearly additions to the Darbar's stocks, so long as production of opium for the Government of India continues. It is thus evident that the Darbar will not require for a good many years to take special steps to obtain opium for internal consumption, either by cultivation for that purpose in the State or by purchase from outside.

The Darbar desires to retain its inherent right to produce in the State the opium required for internal consumption. Subject to the retention of this right in all circumstances, the Darbar will be prepared, when the occasion arises, to join in any scheme put forward by the Government of India for the absorption of old stocks in Ce[illegible] by purchasing from these stocks such [illegible]ed first that the agreement will be limite[illegible], 5 years) with full right reserved to the Darbar to produce in the State opium for internal consumption after that period, and secondly that the price to be paid will not be in excess of the cost of obtaining opium from any other source.

II.—PRODUCTION OF OPIUM IN THE STATE.

The Darbar first entered into agreement with the Government of India to produce opium in 1923-24. The agreement was for 4,000 lbs. (approximately 50 maunds) in that year, for 5,600 lbs.

(approximately 70 maunds) in 1924-25, and for 75 maunds from 1925-26 onwards. The acreage under poppy and produce have been as follows in the last three years:—

	Acres.	Produce. Md.	Sr.	Ch.
1925-26	305	31	27	9
1926-27	397	85	11	13
1927-28	250	(approximately)		

The profit to the State has been as follows:—

1925-26.	Rs.
Received from Government	18,118
Paid to cultivators	12,451
Expenses	660
Net profit	5,007

1926-27.	Rs.
Received from Government	33,225
Paid to cultivators	23,620
Expenses	745
Net profit	8,860

The net profit in the two years was thus Rs. 13,867. The quantity of opium sent to Ghazipur in the two years was 112 maunds 13 seers, giving an average profit of slightly over Rs. 3 per seer. The present agreement being for 75 maunds the normal profit to the Darbar may be calculated, on the average of Rs. 3 per seer, at Rs. 9,000.

In addition the Darbar obtains an income estimated at Rs. 300 annually from customs duties on poppy seed and oil.

The settlement now in force, introduced for 12 years in 1923-24, contains no special assessment for land cultivated with the poppy. There would consequently be no loss to the Darbar under this head if poppy cultivation were discontinued.

Against the loss of Rs. 9,300, as estimated above, should be set the profit likely to be realised by increased sales of opium in State shops if opium ceased to be cultivated. (It may be noted that the Sailana territory is much intermingled with that of Rutlam and that this profit would not be realised unless cultivation ceased also in Rutlam and other neighbouring States). The present consumption of 72 seers in a population of 27,165 represents an average of 26·5 seers per 10,000. The normal consumption in the absence of cultivation may perhaps be estimated at 40 seers per 10,000 or 108

seers altogether, so that consumption would increase by 36 seers if the poppy were not cultivated. The present revenue of the Darbar from opium taxation is approximately Rs. 21-8 per seer, so that the extra revenue obtained from 36 seers would be Rs 774.

The net loss to the State revenues through discontinuing opium production is thus estimated at Rs. 9,300—Rs. 774 or Rs. 8,526. The income of the State from all sources in the last five years has averaged Rs. 3,51,733 and the estimated loss of revenue of Rs. 8,526 is equivalent to 2·4 per cent. of the total revenue.

There would also be a serious loss to the cultivators in the State. The Committee is not however in a position to estimate the extent of this loss.

The Sailana Darbar's views on the general question of discontinuing opium cultivation in the State are given in the Summary which forms an accompaniment to this Report. The Darbar desires, in the interest both of the State revenues and of the cultivators, to continue the production of opium so long as a market is available. It requests sympathetic consideration for the State's claim to share in any market, internal or external, that may be open to Indian opium.

III.—Final arrangements for supply of opium for internal consumption in the States of Central India and Rajputana.

The Darbar desires that cultivation in the State should continue, but is ready, if cultivation ceases, to obtain the opium required for internal consumption from any generally approved source, provided that the quality is suitable and the cost is not excessive.

IV.—The possibility of enhancing taxation upon opium and the probable financial effect of this policy.

The Darbar is prepared to increase the selling price of opium concurrently with increases in neighbouring States. The present retail selling price is Rs. 40 per seer and the taxation profit to the State is Rs. 21-8 per seer, the actual cost price of the opium being Rs. 12. An average consumption of 72 seers thus produces a revenue of Rs. 1,548 annually. If the cost price were raised, by gradual stages, to Rs. 100 and the State's profit were then Rs. 70 per seer, and if consumption fell to an average of 20 seers per 10,000 or about 54 seers annually, the State's revenue would then be Rs. 3,780.

J. A. POPE, *President.*
RAJ KISHEN, }
AZIZUDDIN AHMED, } *Members.*
G. S. HENDERSON, }

Dated Rutlam, the 5th February 1928.

Accompaniments to Sailana State Report.

Statement of opium cultivation in the Sailana State.

Hindu year.	English year.	Cultivation in acres.
1950	1893-94	3,250
1951	1894-95	3,009
1952	1895-96	2,689
1953	1896-97	3,190
1954	1897-98	2,774
1955	1898-99	2,260
1956	1899-1900	310*
1957	1900-01	3,101
1958	1901-02	612
1959	1902-03	2,268
1960	1903-04	2,725
1961	1904-05	602
1962	1905-06	845
1963	1906-07	2,612
1964	1907-08	1,431
1965	1908-09	1,469
1966	1909-10	1,064
1967	1910-11	1,927
1968	1911-12	1,088
1969	1912-13	111
1970	1913-14	...
1971	1914-15	1½
1972	1915-16	½
1973	1916-17	26½
1974	1917-18	36½
1975	1918-19	...
1976	1919-20	32
1977	1920-21	22½
1978	1921-22	27½
1979	1922-23	51¼
1980	1923-24	240
1981	1924-25	354
1982	1925-26	305
1983	1926-27	397½
1984	...	...

Statement of Revenue and Expenditure of the Sailana State.

No.	Year.		Income. Rs.	Expenditure. Rs.
1.	1924-25	(1981)	4,02,162	3,91,031
2.	1925-26	(1982)	3,07,863	3,04,809
3.	1926-27	(1983)	3,55,607	3,53,307

NOTE.—Average of past 5 years—

Income	3,51,733
Expenditure	3,31,816

* Famine year.

Statement showing export duty in the Sailana State on certain articles

No	Name of articles	Export duty on Per maund	Per rupee	Per number
1	Cotton	0 5 6		
2	Cotton ginned	0 15 0		
3	Chillies	0 10 0		
4	Food stuffs	0 1 6		
5	Rice	0 3 1		
6	Oil seeds	0 2 3		
7	Crude Opium	11 10 0		
8	Hard Opium	13 4 0		
9	Opium Chest			24 13 0
10	Cattles		0 0 6	
11	Domestic animals		0 1 0	

Statement of yield of different crops in the Sailana State

No	Name	Per acre in maunds. In irrigated Area	In non irrigated Area
1	Wheat	18	3
2	Gram	16	4
3	Maize (mukka)	24	12
4	Rice	24	10
5	Jawar		8
6	Cotton	10	3

Statement of Opium consumption in the Sailana State from 1917-18 to 1926-27.

Serial No.	Year.	Population.	Annual consumption.	Cost price of Opium from State Godown.		Excise Duty.		Total Amount of columns 6 and 8.	Vendor's Commission.		Detage Commission, etc.		Net profit to the Excise revenues of the State.
				Rate per seer.	Amount.	Duty per seer.	Amount of duty.		Per seer.	Amount.	Per seer.	Amount.	
1	2	3	4	5	6	7	8	9	10	11	12	13	14
			Seer Chh. Tolas	Rs.	Rs. A. P.	Rs.	Rs. A. P.	Rs. A. P.	Rs. A.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.
1	1917-18	27,165	169 6 0	12	1,732 8 0	6	1,316 4 0	3,048 12 0	1 2	190 8 0	...	150 15 0 (of previous year, i.e. 1916-17).	974 13 0
2	1918-19	...	147 0 0	12	1,764 0 0	8	1,176 0 0	2,940 0 0	1 4	183 12 0	...	...	992 4 0
3	1919-20	...	129 12 0	12	2,206 4 0	23	2,267 5 6	4,473 9 6	2 3	298 5 3	...	...	1,282 10 0
4	1920-21	...	110 0 0	15	1,650 0 0	20	2,200 0 0	3,850 0 0	2 3	240 10 0	...	...	1,959 6 0
5	1921-22	...	80 0 0	15	1,200 0 0	20	1,600 0 0	2,800 0 0	2 3	175 0 0	0 14 0	70 0 0	1,355 0 0
6	1922-23	...	74 13 0	15	1,126 14 9	20	1,500 2 6	2,627 1 3	2 3	164 2 0	0 14 0	53 6 6	1,282 10 0
7	1923-24	...	79 14 0	15	1,198 5 0	20	1,597 12 0	2,796 1 0	2 3	174 12 0	...	...	1,023 9 0
8	1924-25	...	83 0 1½	15	1,245 4 6	20	1,660 6 0	2,905 10 6	2 3	181 14 0	...	...	2,724 0 6
9	1925-26	...	50 0 2	15	750 6 0	20	1,000 8 0	1,750 14 0	2 3	108 6 6	...	...	892 1 3
10	1926-27	...	70 1 0	15	1,409 0 0	20	1,400 0 0	2,809 0 0	2 3	162 14 0	...	...	1,277 2 0

Statement of irrigated area in acres of the Sailana State from the year 1922-23 to 1926-27

No	Year	Area in acres
1.	1922 23 (S 1979)	3,685
2	1923 24 (S 1980)	2,929
3	1924 25 (S 1981)	3,048
4	1925 26 (S 1982)	2,926
5	1926-27 (S 1983)	3,200

Brief summary of the Sailana Darbar's views on the questionnaire of the Indian States Opium Committee.

The Sailana Darbar have the greatest pleasure to feel that they have never lagged behind in co-operating with the Government of India in any of their Schemes either Fiscal, Social or Financial

Even at the present time when the request from His Excellency the Viceroy and the Governor-General of India as to find means to restrict opium cultivation in the State on the Government of India's undertaking to the Geneva Conference to prevent illicit traffic in raw opium from constituting a serious obstacle to the ultimate suppression of opium smoking was received here, the Sailana Darbar have in right earnest taken up the matter to see how far the desire of His Excellency the Viceroy and the Governor-General in India can best be given effect to

On a review of the past history of opium cultivation in the State as well as the consequence that followed upon it, the following features undoubtedly become evident :—

(1) Till the year 1911 the State and its traders had a free hand in opium trade with the outside world

(2) The natural facility for the produce of opium made the State as well as the cultivators prosperous

(3) The revenue that accrued from different sources of this profitable commodity of trade went a great way to meet the various needs in different branches of the administration of the State

(4) The sudden stoppage of the Malwa opium trade came as a stunning blow in view of the small resources of the State and adversely affected the cultivators, merchants and the State as well.

(5) Since 1922 this lucrative branch of agricultural industry opened up a new venue at the instance of the Government of India, making new contracts.

(6) Unfortunately, the bright prospect began to dwindle at the less and less rate of prices offered since then

(7) It was, however, cherished that the State would have its due share some day when the trade would revive again

(8) In coming to the present proposal of putting a stop to opium cultivation altogether and to purchase it from Ghazipur Factory

for local consumption too, the Sailana Darbar state their view points as follows:—

(*a*) When His Highness was installed on the Gadi in 1919 he made a scrutiny of the financial condition of the State and was eager to have a commercial engagement with the Government of India in relation to poppy cultivation with a view to supply opium to them as a means to make up deficits in the revenue of the State. As a matter of fact, Mr. Cox, the then Excise Commissioner in C. I., understood the view point of His Highness. Unfortunately it could not be given effect to for some reasons or others at that time, but His Highness pressed a second time for the same when the Government of India was pleased to accept the offer of the State.

(*b*) Owing to economic as well as political grounds the policy of purchasing opium from outside when the State itself is sufficient to meet its own needs as well as to supply others would be ineconomic and detrimental to its inherent right to cultivate opium within its own territories from time immemorial.

(*c*) The Darbar will request the Government of India to take into consideration the slender resources of the State and to allow it to participate in any external trade that may still survive in co-operation with the Government of India.

(*d*) That Opium is and will ever be a commodity of necessity for purposes of medicine and other chemical uses, hence the Sailana Darbar urge that their territory which is specially suited to the production of opium may not loose its share in those markets.

(*e*) That the habit of opium eating apart from any consideration of opium smoking has been admitted to be beneficial to many people in India, Persia, etc., etc., and as a matter of fact certain quantity of opium must be produced. The Sailana Darbar desire that their quota to contribute to such produce and supply may not be overlooked.

(*f*) That the proportionate allotment of share in the export of opium to countries which desire Indian opium and which are prepared to undertake the responsibility of certifying the imports and of seeing that the opium so imported does not find its way into channels of illicit export again may be conceded to this State as well.

(*g*) That the proportionate allotment of share in the export of opium to European and other countries for medical and scientific uses may continue to exist in respect of this State as well.

(*h*) That freedom to cultivate poppy like any other money crop, leaving its area to be increased or diminished according to the state of demand in the market should be followed.

(*i*) That if the monopoly of opium is not insisted upon, the State should be free to supply other States within areas of their own zone without artificial restrictions and according to mutual agreements.

(*j*) That in case the Government of India are still desirous to carry out their policy, the Sailana Darbar do not desire to stand in

their way but would only request that the Government of India would very kindly take into consideration the loss that the State will suffer in consequence of the abandonment of the rights of poppy cultivation and opium trade and would allow a proportionate compensation, having regard to the State's area, revenue and its natural capacity for opium cultivation.

Over and above all these, the Sailana Darbar, as has been stated above, are prepared to co-operate whole-heartedly in terminating all exports of opium to countries indulging in the vice of opium smoking. It is a humanitarian consideration and the Darbar is prepared to acknowledge its sanctity. They only ask for justice and equity in the distribution of any trade that would remain between British India and themselves.

REPORT FOR THE SAMTHAR STATE.

KUNWAR SUJAN SINGH, Diwan of Samthar State, is the Committee Member representing the State.

A Note containing the information required on the Terms of Reference, supplied by Kunwar Sujan Singh on behalf of the Darbar, is recorded by the Committee as an accompaniment to this Report.

There is no poppy cultivation in the State, and there are no stocks of opium in the hands of merchants or private persons. The Committee's discussion has therefore been mainly concerned with the following three points of importance, in regard to which the Committee unanimously records the conclusions given below:—

1. The President explained that a scheme is under discussion having for its object the purchase and storage in godowns in a central position of all stocks of old opium at present in the possession of merchants and private persons in Central India and Rajputana. These stocks are roughly estimated at 25,000 to 30,000 maunds, and the object of the scheme is to enable them to be placed immediately under control and to be passed into consumption as quickly as possible.

The consumption in the Samthar State averages 4 maunds 31 seers annually representing in the population of 33,216 a consumption of 57·5 seers per 10,000.

The Samthar Darbar are prepared to assist the scheme outlined above, should it be brought into operation, by purchasing from the central stocks the opium required for internal consumption in the State, provided—

(1) that the opium is of good quality; and

(2) that the opium is supplied at cost price, no profit being made on the transaction by the authority which purchases and resells to the States.

2. The Committee then discussed the suggestion of the Government of India that the States should, after the stocks of old opium are exhausted, obtain their supplies of opium from the Ghazipur Factory.

The Samthar Darbar will be prepared to take opium from the Ghazipur Factory, after the old stocks of opium in Central India and Rajputana have been exhausted, provided—

(1) that the opium is of good quality; and

(2) that the opium is supplied by Government at cost price, and that the price is not increased without special reason and does not ordinarily exceed Rs. 26 per seer, the present price.

3 The third question discussed was the *possibility of enhancing* the selling price of opium in the State

The *present average annual* consumption in the State is 4 maunds 31 seers The retail selling price is Rs 51 Opium is imported under permit by a contractor, who pays to the Darbar Rs 34 per seer as duty and a license fee for opium and hemp drugs shops combined which *amounted* in 1926 27 to Rs 1 230 The revenue from opium alone, in duty and license fee, probably approximates Rs 38 per seer, or *about* Rs 7,250 on the consumption of 191 seers

The Samthar Darbar are prepared to raise the selling rate of opium in the State to a degree corresponding as nearly as possible with that in force in British India, provided—

(1) that the enhancement is carried out by gradual stages, and

(2) that the same price is enforced in all the neighbouring States

J A POPE, *President*
K SUJAN SINGH, AZIZUDDIN AHMED, G S HENDERSON, } *Members*

Dated Nowgong, the 17th March 1928

Accompaniment to Samthar State Report

Answers to the Terms of Reference

I (1) Opium is not produced in this State

(2) (*i*) (*a*) Rupees 6 615, as duty yearly

(*b*) No export to any State

(*c*) *Nil*

(*ii*) *189 10,000 rupees*

(*iii*) No cultivation and manufacture is allowed in this State As regards the arrangements for control over distribution, the State has entrusted the Police Department with the supervision, therefore no special expenditure is incurred on this account

(*v*) *No* case of smuggling has ever been detected

(*vi*) Present cost price per seer is Rs 13-14 10 present selling price per seer is Rs 51, in case the selling price be *raised gradually* there will be reduction in the sale of Opium and this will affect the Revenue derived in the shape of *duty levied by the State*

(*vii*) At present Opium is supplied here from Chitorgarh, it is possible to meet the demand *first* from stocks *held in other states* and ultimately from Ghazipur

II (*i*) Opium is used in eating and smoking mostly by labourers and persons of old age to the extent of ¼ tola per diem It is

administered to children also up to the age of about 3 years chiefly by labourers. It is also administered to the elephants for medical purposes.

(*ii*) Ball opium is used in this State.

(*iii*) Opium is used here in two ways *i.e.*, eating and smoking (Madak and Chandoo). As for smoking Madak the opium is prepared chemically mixed with Babool leaves.

(*iv*) Increase of selling price and particular care in administration of opium to the children may possibly effect gradual reduction in the amount of opium consumed in the State.

III. There is no stock of opium in this State.

IV. No smuggling case has been detected here as yet. To avoid its any possible existence there should be uniform rate of selling price within and without the State boundaries.

V. Opium may be purchased at cost price from Ghazipur. Nothing can be definitely written about the suitability of Ghazipur opium unless the inhabitants of this place have used it actually.

VI. The State is of opinion that the policy suggested by the Government of India (*i.e.*, discontinuance of cultivation in the states, etc.) is practicable.

VII. *Nil.*

Statement from State Samthar for Opium Committee.

Year.	Opium consumed.			Revenue from duty.			Revenue from License on opium shops (including hemp drugs).		
	Mds.	Sr.	Chh.	Rs.	A.	P.	Rs.	A.	P.
4-5-23	3	16	12	2,324	12	0	1,230	0	0
1-3-24	3	16	12	3,909	7	8	1,230	0	0
12-11-24	3	16	12	3,940	1	9			
28-7-25	3	16	12	4,029	14	3	1,230	0	0
6-3-26	3	16	12	4,038	6	4	1,236	0	0
24-9-26	3	16	12	4,046	0	0			
5-5-27	3	16	12	4,633	14	8	1,230	0	0
TOTAL	23	37	4	26,922	8	8	6,150	0	0
Average	4	31	7	5,384	8	2	1,230	0	0

REPORT FOR THE SITAMAU STATE.

Mr. MOTILAL HIMMATLAL AVASHIA, B.A., LL.B., Dir... of Sitamau State, is the Committee Member representing t... State.

A Statement containing the views of the Sitamau Darbar an... the information required in answer to the Terms of Reference, sup... plied by Mr. Motilal on behalf of the Darbar, is placed on the record.

The Committee unanimously records the following conclu-sions:—

I.—Old stocks of opium.

There are 20 maunds of ball opium in the State, of which 8 maunds 10 seers belong to the Darbar and are stored in the State warehouse and the balance belongs to merchants but is kept under State seal and key. The annual consumption on the average of the last 5 years is 25½ seers only, so that the stocks in hand are considerably in excess of the State's requirements. The Darbar would be glad to find a market for the surplus stocks.

II.—Production of opium in the State.

The State has an agreement with the Government of India under which a quantity of 580 maunds of crude opium is to be produced annually and sent to the Ghazipur Factory. Production is confined to this demand, the State retaining only such opium as is found to be unsuitable for despatch to Ghazipur. The average output in the State being about 4 seers per bigha, the area required under poppy to produce 580 maunds is about 5,800 bighas.

The Committee has considered the question of the direct loss to the Darbar's revenues that would result from discontinuing poppy cultivation, and records the following conclusions.

The Darbar pay to the cultivator for crude opium two rupees per seer less than the cost price received from Government. The State also receives from the cultivator an extra chhatak per seer, i.e., the cultivator is paid the price (less Rs. 2) of 1 seer but actually delivers 17 chhataks. For every seer of oil free opium delivered the State thus receives from Government Rs. 11 and pays to the cultivator Rs. $9 \times \frac{16}{17}$ or Rs. 8-7 thus making a profit of Rs. 2-9 per seer. The total profit on a normal delivery of 580 maunds is therefore Rs. 59,450. Establishment and other charges include the payment of Rs. 4,350, representing the cost at 3 annas per seer of the Joint Opium Officer and his establishment and of Rs. 5,400 representing the cost of local staff and incidental expenses (Statement 24). The working costs thus amount to Rs. 9,750, and the net profit to the State under this head is therefore Rs. 49,700.

The Darbar also obtain additional land revenue from poppy cultivation. There is no special cess levied on the land actually under poppy, but the assessment rates on the highest classes of irrigated land, under the present Settlement of 1917-18, are based on the profits of poppy cultivation and they would have to be reduced if poppy cultivation ceased. It is estimated that this reduction would be required in all land in the three highest classes known as "Alif", "Khas" and "Aval" (Statement 21). The total area in these classes is 7,584 bighas and the present assessment averages Rs. 13 per bigha in Khalsa lands and Rs. 15-8 in Jagir lands (Statement 14). If the average assessment were reduced to Rs. 9-12, which is the present average of "Doyam" irrigated lands (Statement 21)—a reduction which the Committee accepts as probable—the loss to State revenues would be Rs. 12,800.

The State obtains an average annual revenue of Rs. 1,596 from export duty on poppy seeds (Statement 9) and of Rs. 561 from duty on poppy seed oil (Statement 10) the revenue under these heads thus amounting to Rs. 2,157. To some extent this revenue might be replaced by export duties on other produce, *e.g.* cotton, of the lands at present under poppy; but the extent of this replacement cannot be calculated, and it is reasonable to suppose, on the other hand, that the State import revenue would be diminished on account of the less prosperous condition of the cultivating classes.

There is also a municipal tax of 1 anna per seer on opium brought to Sitamau for weighment. The proceeds of this tax, which go to the Darbar, average Rs. 861.

Against the losses detailed above it is reasonable to take into account any increase to be expected as a result of abandoning cultivation in realizations of duty and license fees on opium sold in the State shops. The present consumption averages $25\frac{1}{7}$ seers (Statement 16), which is equivalent in the population of 26,549 to a consumption of only 9·6 seers per 10,000. This is a very low average, and the probability is that the real consumption is something like 40 seers per 10,000 or four times the quantity at present sold in the shops. The revenue from retail sale averages Rs. 313 annually (Statement 7), so that if sales were quadrupled the gain in revenue would be Rs. 939.

The net loss to the State is thus estimated as follows:—

	Rs.
Loss of profit on sales to Government	49,700
Loss of land revenue	12,800
Loss of customs revenue	2,157
Loss of municipal tax	861
Total loss .	65,518
Gain in revenue from retail sale .	939
Net loss .	64,579

The average income of the State from all sources is Rs. 2,71,130. The loss of Rs. 64,579 represents 23·8 per cent. or nearly one quarter of the total revenue. It is evident that the loss of this revenue would be disastrous to the financial position of the State; and the Committee is unable to suggest any method by which the loss could be made good. The Sitamau State is more dependant than any other for its financial stability upon the profits of opium production.

In the losses detailed above no account has been taken of the diminution of land revenue in Jagir areas. This would amount, on the same calculation as that adopted for State lands, to Rs. 19,701 (Statement 14 substituting Rs. 9-12 for Rs. 9 in column 5)—a very severe loss to the Jagirdars, whose revenues are derived almost entirely from land rents. Nor has account been taken of the loss to cultivators in the State. This would certainly be serious, but the Committee do not feel able to estimate its extent in terms of money value. The general question of the possibility of finding substitute crops for the poppy is being dealt with by the Committee separately.

III.—Final arrangements for supply of opium for internal consumption in the States of Central India and Rajputana.

The Committee has discussed the suggestion of the Government of India that opium for internal consumption should ultimately be supplied to the States from the Ghazipur Factory.

Assuming that production in Central India and Rajputana were to be discontinued, by an arrangement agreeable to the Sitamau Darbar and to the other Darbars concerned, the Sitamau State would be willing to obtain from the Ghazipur Factory the opium required for internal consumption in the State, provided that the opium was suitable to the taste of consumers in the State and that its cost was not excessive. The Darbar, however, reserve in all circumstances their inherent right of opium production.

IV.—The possibility of enhancing taxation upon opium and the probable financial effect of this policy.

The revenue from internal consumption is extremely small and the possibility of increasing it by enhanced taxation is limited. Assuming that the selling price were to be raised ultimately to Rs. 100 a seer, leaving a profit from taxation of Rs. 70, and that consumption were then 30 seers per 10,000 of population or 80 seers sold in the State shops, the revenue from this source would then be Rs. 5,600 compared with the present average revenue of Rs. 313. But these assumptions are probably optimistic, and in any case it would be many years before the full increase in revenue was realized.

The Darbar agree generally with the policy of maximum revenue from minimum consumption and are prepared to raise the

retail selling price of opium to a degree corresponding as nearly as possible with the price in British India, provided that the enhancements are carried out by gradual stages and that the same price is enforced in all neighbouring States.

J. A. POPE, *President.*
MOTILAL,
G. S. HENDERSON, } *Members.*
AZIZUDDIN AHMED,

Dated Indore, the 29th February 1928.

Accompaniment to Sitamau State Report.

A statement containing the views of the Sitamau Darbar regarding the question of opium cultivation in the State.

General.—Sitamau is one of the principal opium producing States in Western Malwa, traditionally reputed for the cultivation of poppy. The whole of the cultivation in the State being within the true poppy zone, the quality of the crop produced is excellent.

Agriculture is the principal occupation of the people, who, used as they are from times immemorial to grow poppy, have naturally very little inclination to grow any other crop in place of poppy. Apart from this, the present economic condition of the agriculturists is bound to grow worse if cultivation of opium be ever entirely discontinued. Further the financial position of the State will be most seriously affected. How and to what extent the State will suffer financially is shown in the course of discussion below. On these considerations, the Darbar feel deeply concerned and anxious about this important question which greatly affects the future position of the State and its people.

Advantages of opium cultivation.—The land on which opium is grown yields a double crop, *i.e.*, it is first sown with makka which is the staple food of the cultivating and labour classes. After makka is harvested, the cultivator puts the same land under poppy which not only pays him a good price, but also gives him several other benefits as shown below. The cultivator at present gets from the same plot of land his food-stuff, *i.e.*, makka; oil from poppy seed, vegetable from poppy leaves and fuel from poppy stalks. Moreover, the price of opium gives him money necessary to pay the Darbar's dues and purchase other necessaries of life. The cultivator is further pecuniarily benefited by certain by-products of poppy such as garlic, peas, mustard, cumin seed, etc. These are the main and valuable advantages of the cultivation of poppy with which no other crop can so favourably compare.

4. *Consideration of the question of substituting other crops.*—Considering the nature of the soil, let it be said that the whole of the irrigated area in the State is pre-eminently fitted for the cultivation of poppy. Moreover the irrigation resources in the State are not adequate. On both these facts, therefore, opium is considered the *only* suitable crop here. If it were suggested to substitute other crops, namely, sugarcane, wheat, potato, cotton, and barley for poppy, the following arguments will clearly establish the fact that none of these can be said to be a proper substitute for poppy which is the traditional crop of Malwa.

Taking the case of sugarcane, it needs be pointed out that there do not exist here irrigation facilities so necessary for the crop. The principal source of irrigation in the State is wells, 50 per cent. of which get dry in the hot weather. While with the exception of a few wells, the supply of water in the remaining is not sufficient for the cultivation of sugarcane. Further those few wells can irrigate not more than 15 per cent. of the present area, if cultivation of sugarcane is substituted for poppy. It would, therefore, be no good attempting to raise this crop which requires about four waterings every month in the hot weather. Moreover, extra skill, care and money are required for the plantation of sugarcane and the cultivator has to wait anxiously for the outturn for a full year, at the end of which the land has again to be left uncultivated till the next season. It is a common knowledge here that the cultivator will only be a loser by cultivating sugarcane in place of poppy (*vide* statements No 1 and 2). Under the circumstances, it is not possible that the cultivator will take to sugarcane as a substitute for poppy.

Next with regard to wheat, let it be noted that the crop does not bring to the cultivator the same profit as poppy does That the land under wheat cultivation yields a double crop like that of poppy is a fact, but the outturn of makka from land sown with wheat is ordinarily 50 to 60 per cent less than that obtained from the land under poppy. On the score of this disadvantage, the cultivator cannot but feel disinclined to prefer this crop as a substitute at the cost of financial loss to himself.

The third one, namely, potato is found by experience quite unsuited to the soil. The yield is found to be inferior and the necessary market for the crop is wanting.

As regards cotton, it needs be stated that the land used for cotton can yield only a single crop. Moreover, for the best yield of the crop, the seed should be sown in the month of May and the land should be watered before the rains. This is difficult owing to the scarcity of water in the wells in hot weather. It is also experienced that the land under cotton begins to give a diminishing return after two years' continuous sowing. It is, therefore, very necessary to grow other crops by rotation so as to ensure again a good yield of cotton from the same land. In view of this serious difficulty and other grounds cited above,

cotton cannot be considered a suitable substitute for poppy (*vide* statements No. 1 and 3).

Barley like poppy requires the same amount of irrigation. The outturn of makka from land under this crop is found to be superior to that from land under wheat. The crop, however, does not fetch a good price and the demand for it is inadequate. In other words it is not so paying as poppy is. Hence its cultivation on a large scale is not possible. From the foregoing, it becomes quite clear that opium is the only crop quite suitable to the local conditions, since it is the one crop which while bringing a steady and handsome income to the cultivator and the State gives the cultivator and the public several facilities of a general nature.

Preliminary.

Consideration of financial loss to the State.—If ever there was a total prohibition of opium cultivation, it was for once only in the year 1914. The result was as anticipated, a financial loss of about Rs. 11,000 due to the necessary reduction allowed in rents on irrigated lands. This was the only loss then to be faced and the economic conditions of those days were also different and more favourable. Moreover, the State received substantial assistance of about two lacs of rupees which Government allotted as the Darbar's share of the profit on the sale of opium. Though the loss due to the prohibition of opium was thereby materially remedied, the Darbar felt it necessary on economic and financial grounds to place certain area under poppy the very next year. Having done this, the Darbar had to contract at the time with a Marwari trader to sell crude opium produced in the State. While the contract was in force the Government of India fortunately entered into an agreement with some of the Malwa States, including Sitamau, to buy crude opium from them. By the bye it is necessary to bear in mind the fact that the difficulties then to be faced were of little significance, as compared with those that may be faced now, if cultivation of opium be discontinued.

Indirect loss in land revenue.

In view of the local conditions, the nature of the soil and the sources of irrigation in particular, it is believed that there is no other crop except opium which can prove equally paying and beneficial to the cultivator and the State. The one apparent and serious result of the discontinuance of the cultivation of poppy would, therefore, be that the present land revenue received by the Darbar would be considerably diminished. The estimated loss due to the curtailment of rents would be Rs. 16,000 in the land revenue proper. Over and above this loss, the *economic condition of the agriculturists would deteriorate and consequently, the Darbar would experience greater difficulties in realising the revenue dues from their cultivators.

* Their loss will range from Rs. 74,750 to Rs. 1,02,700 (*vide* statement No. 15).

Direct loss

In addition to the loss of Rs. 16,000 in the land revenue, the Darbar would further be directly deprived of their net annual income of Rs 51,665 which comprises their average profit under the present contract with the Government

Loss of other revenues, i e Sayar and Municipal

The Darbar would also be deprived of their other annual revenues amounting to Rs 3,017.

Total loss in the revenue

The State would thus suffer a total loss of Rs 70,682 annually. Taking into account the average annual total revenue of the State which is about Rs 2,71,129 the heavy financial cut of Rs 70,682 is considered a very serious and permanent blow, as it at once, deprives the State approximately of ¼ of its present revenue (*vide* statement No 13) The extent of such a heavy financial loss can only mean the ruin of a small State like Sitamau, which can under no circumstances, balance its financial position, if cultivation of poppy be ever entirely discontinued

Total loss to the Jagirdars and cultivators

If opium is discontinued, the loss in the present land revenue received by Jagirdars will amount to Rs 22,306 and the cultivators will suffer great financial loss as shown in the statement (*vide* statement No 15)

Financial position considered generally

The principal head of revenue being the land revenue it logically follows that the Darbar will find it not only embarrassing but almost impossible to carry on the ordinary work of administration in keeping with the position and dignity of the State

All that is stated above clearly points to the conclusion that the local conditions are peculiarly unfortunate and that the land revenue is the State's main stay and opium is an important factor of that revenue Moreover, opium is the traditional crop which brings manifold advantages to the cultivator and the public and, above all, it is a great financial resource of the State (*vide* statement No 13) It will therefore come as a great shock both to the cultivator and the Darbar, if they are ever told to stop cultivation The financial effect on the State in particular, will be most embarrassing It is, therefore, considered highly essential and desirable that the cultivation of opium should continue as heretofore in the interests of the State and its people as the cultivation of the crop, *if discontinued, would sap the very life blood of the State and* impair the general prosperity of its subjects

The great economic upheaval following the great war has so much increased the ordinary expenses of the State that with all

attempts at strict economy—a fact well-known to the Political Officers—to steer the ship of the State, it would have been next to impossible to meet even the ordinary expenditure but for the income of opium. In view of the fact that the State would be crippled financially by being deprived of $\frac{1}{4}$ of its total revenue and the fact that Government will, no doubt, require crude opium for Excise and Medicinal purposes, it is confidently hoped that Government will give the whole matter their very earnest and sympathetic consideration and recognising that opium is the only best and indispensable resource of the State, continue to show the Darbar the same kindness as heretofore by buying their opium in future.

Present system of cultivation and control.—The whole cultivation of poppy in the State is well-regulated and supervised and the whole produce of poppy is strictly controlled by the Revenue Officer and his staff which consists of one inspector, two assistant inspectors, one girdawar, two clerks and chaprasis. The duties of the Opium Officer are assigned to the State Revenue Officer. Moreover, the Joint Opium Officer for Malwa States (an Officer of the Opium Department deputed by Government and approved by States) who under the terms of the agreement may do the inspection work, checks all the necessary papers relating to the cultivation of poppy, examines, weighs and takes delivery of the whole output of crude opium directly from each cultivator. A copy* of the terms of the agreement for the maintenance of the Joint Opium Officer and his establishment entered into between the Government of India and the Darbar is enclosed herewith. The statements of expenditure of the Joint Opium Officer and his establishment and of the local staff are attached for ready reference. The present arrangements regarding control and supervision of poppy cultivation in the State should in the light of what is stated above be considered quite adequate.

Internal consumption.

Other relevant questions.—The quantity required for internal consumption in the State having a population of 27,000 souls averages about 25 seers and 7 chattacks which is a trifling more than the standard laid down by the League of Nations. A reference to the statement annexed will clearly indicate that the tendency is against the habit of opium-eating and that the steady fall in the quantity for internal consumption bids fair for the future. If the selling price of opium be raised the natural effect would be to reduce consumption. Since the quantity required for internal consumption is not much, it is too much to expect that the State will be able thereby to enhance its revenues considerably.

Local stock and smuggling.

There exists here only 20 maunds of old opium the whole of which is under lock and key of the Excise Department. It is this

* Not printed.

hard opium with respect to which smuggling is most feared. The crude opium that is produced here for supply to Government is less liable to be smuggled and if smuggled, can be easily detected on account of its strong odour. It would not be out of place to remark that no case of smuggling of opium from this State has so far been detected.

In consideration of the arrangements in force here, it is hoped that the supervision and control exercised by the Darbar in this connection will be considered quite satisfactory. If, however, it is desired that the arrangements should be made more efficient and effective, the Darbar will be prepared to do all in their power to meet the wishes of the Government in the matter.

The quality of opium.

The price which the Government pay to the State is the same as they pay to the cultivators in the United Provinces. With the present reduction in the price of opium a number of cultivators in the United Provinces have, it is heard, given up cultivation of poppy. They can, of course, easily maintain this attitude without caring for opium, as it is quite feasible for them to earn quite as much, if not more, by raising other crops such as sugarcane, tobacco, etc. Here similar conditions do not prevail The cultivating class and the Darbar both strongly desire the continuance of poppy cultivation. Apart from this, the quality of opium supplied by the Darbar is decidedly superior. If necessary, Gazipur authorities can testify to the fact that opium supplied by Sitamau is practically oil-free and contains a great percentage of morphia. Hence from the commercial stand-point as well, it will be more to the advantage of the Government to buy opium from the Darbar.

Conclusion.

The special economic and financial conditions described above sufficiently show how absolutely necessary it is to continue cultivation of opium in the State, since it is the only crop calculated to keep up the general prosperity of the State and its people and without which the cultivators will be put to great hardship and the State will be ruined financially.

Moreover, the State has always done their best to produce practically oil-free opium and faithfully carried out the conditions of the agreement. Further, the State exercises due control and supervision over the whole cultivation and production of crude opium. Hence, it is confidently hoped that Government will be pleased to give this important question their very sympathetic and just consideration and thereby save this small State from a great financial calamity. The Darbar feel sure that their case deserves to receive every kind and favourable consideration at the hands of the benign Government for which the State and its cultivators shall ever feel very grateful to them.

A note on the consideration of the terms of reference drafted at the Simla Conference and subsequently approved by the Government of India.

(1) AGRICULTURE.

(*a*) Poppy is cultivated in the whole State. The total area at present under poppy is about 5,200 bighas which represents 68 per cent. of the total area under irrigation.

(*b*) The land on which opium is grown in the State is eminently fitted for the production of the very best class of opium. The soil is black and brown and is proverbially noted for its opium crop from times immemorial.

Poppy requires 6 to 7 waterings throughout the season, *i.e.*, from November to March. Each watering for half an acre or one bigha of land under poppy requires 19,200 gallons of water. The principle source of irrigation in the State is wells from which the land is irrigated by means of a leather bucket drawn by a pair of bullocks.

(*c*) The normal yield of the crop is ordinarily ensured, if sowings are in time and water in wells is sufficient. If the crop is affected by hail-storms, frost and such other seasonal vicissitudes beyond human control, its yield is naturally below normal. During the last 30 years it was only twice in the samvat years 1961 and 1976 that the crop was seriously damaged. It is not a commonplace here to think that opium is a fickle crop. It cannot also be denied that owing to seasonal changes of a less serious nature the outturn of the crop varies slightly from year to year. This condition cannot however be said to be in any way special for poppy only.

(*d*) From the cultivators' stand-point, the advantages of growing poppy are manifold. Comparative statements attached herewith will show that poppy is the only crop which is paying best to the cultivator. Moreover, the land on which opium is grown is first used for sowing makka which is the stapple-food of the cultivating and labour classes. The cultivator is thus able to get from the same plot of land his foodstuff, (*i.e.*, makka) *oil, vegetable, fuel and money necessary to pay the Darbar's dues and purchase other necessaries of life. The cultivator is further benefited by certain by-products such as garlic, peas, mustard, cumin-seed, etc. These are the main advantages of the cultivation of opium with which no other crop can so favourable compare.

(*e*) This point has been considered fully in the statement. The conclusion arrived at by the Darbar is that in view of the present economic condition of and the serious financial loss† to the cul-

* Oil from the poppy seed, vegetable from its leaves and fuel from its stalks.

† The loss will range from Rs. 74,750 to Rs. 1,02,700 (*vide* statement No. 15).

tivator, it is not possible to replace poppy by other crops. The comparative statements referred to in (d) above distinctly show that any such substitution for poppy will only place the cultivator in a position of serious economic disadvantage.

(2) FINANCIAL.

(i) (a) Cultivation of poppy in the State is carried on with the object of supplying the whole produce to the Government of India. There is no separate sowing to meet the local requirements. It is not, therefore, possible to show land revenue under each head separately. The average total revenue from land under poppy in the State is Rs. 72,800. (The figures for Khalsa and Jagir are Rs. 53,000 and Rs. 19,800 respectively.)

(b) The average revenue derived by the Darbar from sale of opium for local consumption is Rs. 313 (*vide* statement No. 7).

(c) *Nil.*

(d) The average revenue other than land revenue derived by the Darbar from sale to Government of India is Rs 51,665-6-0 (*vide* statement No. 23).

(e) In addition to what is stated above the Darbar derive the following revenues annually:—

	Rs.
(1) Export duties of poppy seed and poppy seed oil .	2,156
(2) Municipal tax on opium	861
Total .	3,017

(*Vide* statements No 9-11)

(ii) The proportion that the total revenue of all kinds from opium bears to the total revenue of the State is 1 to 2·5 (*vide* statement No. 6).

(iii) The details of expenditure under this head are as follows:—

	Rs.
The average annual expenditure of Joint Opium Officer and his establishment is	3,764
Local staff is	3,352

(*Vide* statement No 23.)

Ever since the year 1916, poppy is grown here under a State monopoly system, the main details of which are:—

(1) that the cultivation of opium is allowed under a license issued by the State authority in favour of the cultivator on the latter's submitting an application therefor (a specimen copy* of the form in use is attached);

* Not printed.

(2) that the sowing operations and the output of every cultivator are carefully supervised and checked by the Revenue Department throughout the season;

(3) that the cultivator is required as a condition of his license to sell his whole produce at a fixed price to the State;

(4) that the State delivers the whole quantity in crude form to the Government of India at a fixed price.

(*iv*) *Nil.*

(*v*) *Nil.*

(*vi*) The present cost price is Rs. 18 per seer and the selling price is Rs. 26-10-11. If the selling price in increased so as to ultimately bring it to the level of the rate prevailing in British India, the obvious effect of the increase would be to reduce consumption. Considering the present quantity required for internal consumption, the financial gain to the Darbar from the increase in price will not be considerable.

(*vii*) The quantity required for internal consumption is obtained from Khurchan and wash opium collected at the time of weighment of opium every year. This opium is cleaned and made into balls stored for local use. It is found by experience to be quite fit for local consumption. Though it may not be fit for purposes of the Ghazipur Factory, besides meeting the local requirements, it is at times sold to the Gwalior Darbar for Excise purposes.

(*viii*) This point is fully discussed in the statement. Suffice it to say that from the financial as well as economic stand-points, the effect of discontinuance of cultivating poppy will be very disastrous to the State, the total loss* being approximately $\frac{1}{5}$ of its present total revenue. The only best step to meet the loss resulting from the discontinuance of poppy should, in the opinion of the Darbar, be that Government should kindly allow cultivation of poppy and continue to buy the opium produced by the Darbar (*vide* statement No. 13).

II. *Consumption in the State*—

(*i*) A reference to the statement annexed will show that the average quantity consumed locally is 25 seers and 7 chattacks per year (*vide* statement No. 16) which is $\frac{2}{3}$ times the standard *per capita* prescribed by the League of Nations. People addicted to opium-eating, take it in two ways, either in solid form or in liquid form (locally known as Kasumba). It is used for medicinal purposes in a number of ways. It is also taken as an intoxicant. It is an old custom here to use it on occasions of marriage and death and on other occasions of an auspicious nature. Tendency of the present times is, however, not in favour of this time-honoured custom. The practice of administering this

* Besides this the loss in land revenue to the Jagirdars will be Rs. 22 306

drug in very small doses to children does exist. This, however, *it is hoped*, will *considerably* die out in course of time.

(*ii*) Ball opium is used in the State.

(*iii*) Opium that is used for local consumption is only ball opium. It is supplied to the commission agent directly by the Darbar. No other ingredient is mixed with it. Moreover, the quantity taken at one time is very little. Its physiological effect on the consumer is what the pure Malwa opium ordinarily produces on him. It is not known to produce any injurious effect on the consumer, except that it acts as a slight intoxicant.

(*iv*) The quantity required for internal consumption is only 25 seers and 7 chattacks. It is possible that the present quantity will be further reduced by increasing the selling price of opium. Financially, however, there will not be any appreciable gain to the Darbar from the increase in price.

III. The quantity of stock of opium in the State is only 20 maunds, which is all ball opium. The whole of it is adequately controlled by the Darbar. The Darbar will be willing to consider any reasonable proposal for the sale of this stock.

IV. Smuggling is not known here. The Darbar are quite prepared to co-operate whole-heartedly in the matter of prevention of smuggling.

V-VI. These points have been fully discussed in the statement from which it will be evidenced that it is entirely against the financial interests of the Darbar as well as the economic and financial interests of their cultivators to adopt the policy suggested by the Government of India which in the end will only result in marking the financial ruin of the State and the deterioration of the present economic condition of their agriculturists.

No. I.—*Statement showing the present economic condition of a cultivator owning one plough or (Samad).*

Particulars.	Expenses. Rs.	A.	P.
Manuring	20	0	0
Lancing and extracting poppy juice	15	0	0
Weeding	10	0	0
Wheat growing	5	0	0
Sowing, etc., of cotton and joar crops	40	0	0
Miscellaneous expenses	25	0	0
Cost of maintaining one plough	150	0	0
Repairing charges of leather bucket	10	0	0
Land tax—			
Adan 4 bighas	56	0	0
Mal 40 bighas	80	0	0
Total	411	0	0

Income in kind.	Income in money.		
	Rs.	A.	P.
Makka 21 mds. Pakka	52	8	0
Joar 36 mds. Pakka	100	0	0
Cotton 24 mds. Pakka	200	0	0
Opium 10 seers Pakka	85	0	0
Poppy seeds 4½ mds. Pakka	30	0	0
Wheat 6 mds. Pakka	30	0	0
Miscellaneous	25	0	0
Total	522	8	0
Net gain	111	8	0

NOTE—One plough (Samad) can cultivate 4 bighas of irrigated and 40 bighas of non-irrigated land. In the statement 2¾ bighas are under poppy and 1¼ bighas of irrigated land are under wheat cultivation. The non-irrigated area is utilised for cotton and joar.

No. 2.—*Statement regarding sugarcane as a substitute for poppy, its economic effect on the cultivator.*

Particulars.	Expenses.		
	Rs.	A.	P.
Makka sowing	2	0	0
Manuring	30	0	0
Sugarcane seed	50	0	0
	6	0	0
Manual labour	36	0	0
Extracting Machine	30	0	0
Extracting sugarcane juice	20	0	0
Lime	2	0	0
Oil	4	0	0
Wheat and cotton seeds	20	0	0
Cost of maintaining one Samad	300	0	0
Repairing charges of bucket	30	0	0
Non-irrigated land	80	0	0
Land tax, Adan 4 bighas	112	0	0
Land tax, Mal 40 bighas	160	0	0
Total	882	0	0

Income in kind.	Income in money.		
	Rs.	A.	P.
Makka 24 mds.	60	0	0
Wheat 18 mds.	90	0	0
Joar 72 mds.	200	0	0
Cotton 48 mds.	400	0	0
Raw sugar 36 mds.	300	0	0
Total	1,050	0	0
Net gain in two years	168	0	0
Average for one year	84	0	0

No 3 —*Statement regarding cotton as a substitute for poppy, its economic effect on the cultivator*

Particulars		Expenses		
		Rs	A	P
Manuring		20	0	0
Cotton seeds		2	0	0
Labour		60	0	0
Repairing charges		5	0	0
Cost of maintaining one Samad		150	0	0
Land tax Adan 4 bighas		56	0	0
Land tax, Mal 10 bighas		80	0	0
	Total	373	0	0

Income in kind		Income in money		
		Rs	A	P
Makka 9 Mds		22	8	0
Joar 36 Mds		100	0	0
Cotton 33 Mds		275	0	0
Wheat 9 Mds		45	8	0
	Total	443	0	0
Net gain in one year		70	0	0

No 4 —*Statement showing estimated expenditure and income in cultivation of wheat and barley per plough (Samad)*

Expenditure		Rs	A	P
Manuring		20	0	0
Expenses on non irrigated land		40	0	0
Labour for wheat and barley crops		15	0	0
Repairing charges for bucket		10	0	0
Expenses for maintaining one Samad		150	0	0
Land Revenue tax Adan		56	0	0
Land revenue tax Mal		80	0	0
	Total	371	0	0

Produce		Value of produce		
		Rs	A	P
Makka 21 Mds		52	0	0
Joar 36 Mds		100	0	0
Cotton 21 Mds		200	0	0
Wheat 9 Mds		45	0	0
Barley 18 Mds		36	0	0
	Total	433	8	0
Net profit		62	8	0

N B —One Samad can cultivate 4 bighas Adan and 40 bighas Mal In 2 bighas wheat and barley in 2 bighas Adan and cotton and joar in Ma[illegible]

Income in kind.	Income in money.		
	Rs.	A.	P.
Makka 21 mds. Pakka	52	8	0
Joar 36 mds. Pakka	100	0	0
Cotton 24 mds. Pakka	200	0	0
Opium 10 seers Pakka	85	0	0
Poppy seeds 4½ mds. Pakka	30	0	0
Wheat 6 mds. Pakka	30	0	0
Miscellaneous	25	0	0
Total	522	8	0
Net gain	111	8	0

NOTE.—One plough (Samad) can cultivate 4 bighas of irrigated and 40 bighas of non-irrigated land. In the statement 2½ bighas are under poppy and 1½ bighas of irrigated land are under wheat cultivation. The non-irrigated area is utilised for cotton and joar.

No. 2.—*Statement regarding sugarcane as a substitute for poppy, its economic effect on the cultivator.*

Particulars.	Expenses.		
	Rs.	A.	P.
Makka sowing	2	0	0
Manuring	30	0	0
Sugarcane seed	50	0	0
	6	0	0
Manual labour	36	0	0
Extracting Machine	30	0	0
Extracting sugarcane juice	20	0	0
Lime	2	0	0
Oil	4	0	0
Wheat and cotton seeds	20	0	0
Cost of maintaining one Samad	300	0	0
Repairing charges of bucket	30	0	0
Non-irrigated land	80	0	0
Land tax, Adan 4 bighas	112	0	0
Land tax, Mal 40 bighas	160	0	0
Total	882	0	0

Income in kind.	Income in money.		
	Rs.	A.	P.
Makka 24 mds.	60	0	0
Wheat 18 mds.	90	0	0
Joar 72 mds.	200	0	0
Cotton 48 mds.	400	0	0
Raw sugar 36 mds.	300	0	0
Total	1,050	0	0
Net gain in two years	168	0	0
Average for one year	84	0	0

No 3—*Statement regarding cotton as a substitute for poppy, its economic effect on the cultivator*

Particulars	Expenses Rs	A	P
Manuring	20	0	0
Cotton seeds	2	0	0
Labour	60	0	0
Repairing charges	5	0	0
Cost of maintaining one Samad	150	0	0
Land tax Adan 4 bighas	56	0	0
Land tax Mal 10 bighas	80	0	0
Total	373	0	0

Income in kind	Income in money Rs	A	P
Makka 9 Mds	22	8	0
Joar 36 Mds	100	0	0
Cotton 33 Mds	275	0	0
Wheat 9 Mds	45	8	0
Total	443	0	0
Net gain in one year	70	0	0

No 4—*Statement showing estimated expenditure and income in cultivation of wheat and barley per plough (Samad)*

Expenditure	Rs	A	P
Manuring	20	0	0
Expenses on non irrigated land	40	0	0
Labour for wheat and barley crops	15	0	0
Repairing charges for bucket	10	0	0
Expenses for maintaining one Samad	150	0	0
Land Revenue tax Adan	56	0	0
Land revenue tax Mal	80	0	0
Total	371	0	0

Produce	Value of produce Rs	A	P
Makka 21 Mds	52	0	0
Joar 36 Mds	100	0	0
Cotton 21 Mds	200	0	0
Wheat 9 Mds	45	0	0
Barley 18 Mds	36	0	0
Total	433	8	0
Net profit	62	8	0

N *B*—One Samad can cultivate 4 bighas Adan and 40 bighas Mal In 2 bighas wheat and barley in 2 bighas Adan and cotton and joar in Ma

No. 5.—*Statement showing expenditure and income in cultivating methi and wheat.*

Expenditure.	Rs.	A.	P.
Manuring	20	0	0
Expenses on Mal land	40	0	0
Labour for methi and wheat cultivation	20	0	0
Repairs to bucket	12	0	0
Expenses for maintaining one Samad	150	0	0
Revenue tax, Adan	56	0	0
Revenue tax, Mal	80	0	0
Total	378	0	0

Produce.	Value of produce. Rs.	A.	P.
Makka 21 Mds.	52	8	0
Joar 36 Mds.	100	0	0
Cotton 24 Mds.	200	0	0
Wheat 9 Mds.	45	0	0
Methi 12 Mds.	48	0	0
Total	445	8	0
Net profit	67	8	0

N.B.—One Samad can cultivate 4 bighas Adan and 40 bighas Mal. Methi in 2 bighas, wheat in 2 bighas Adan, and cotton and joar in Mal.

No. 6.—*Statement regarding revenues of all kinds from opium and its proportion to the total revenue of the State.*

No.	Kinds of revenue.	Rs.
1.	Land revenue (only Khalsa)	53,000
2.	Revenue from internal consumption	313
3.	Revenue from sale to Government	51,665
4.	Miscellaneous revenue (Sayar and Municipality)	3,017
	Total	1,08,095
	Total revenue of the State	2,71,129

The proportion that the total revenues of all kinds from opium bears to the total revenue of the State. . . . 1,08,095 : : 2,71,129
1 : : 2·5

No. 7.—*Statement regarding income from retail sale of opium from the year 1922-23 to 1926-27 (both inclusive).*

Serial No.	Year A. D.	Income. Rs.	A.	P.
1.	1922-23	550	0	0
2.	1923-24	110	0	0
3.	1924-25	275	2	6
4.	1925-26	330	5	6
5.	1926-27	300	6	0
	Total	1,565	14	0
	Average for five years	313	0	0

No. 8.—*Statement of net profit to the Darbar from sale of crude opium to Government from 1922-23 to 1926-27 (both inclusive).*

Serial No.	Year A. D.	Net profit. Rs.	A.	P.
1.	1922-23	70,509	2	0
2.	1923-24	51,581	2	9
3.	1924-25	52,866	10	9
4.	1925-26	34,368	2	10
5.	1926-27	49,501	12	10
	Total	2,58,326	14	10
	Average profit for five years	51,665	6	2

[The Darbar takes Rs. 2 from the price paid by Government, and also 1 chittak per seer, i e, the cultivator is paid price of 1 seer but delivers 17 chittaks This at Rs. 9 per seer for oil-free opium gives the Darbar another 9 annas.

The cultivator delivers one seer, for which the Darbar receives Rs. 11 and pays him Rs. $9 \times \frac{15}{16}$ = Rs. 8-7.]

J. A. POPE.

No. 9.—*Statement giving figures of revenue derived by the Customs Department from export of poppy seeds from 1922-23 to 1926-27 (both inclusive).*

Serial No	Year A. D.	Income. Rs.	A	P.
1.	1922-23	162	6	9
2	1923-24	1,710	1	9
3.	1924-25	1,234	9	0
4	1925-26	638	2	9
5.	1926-27	4,232	13	3
	Total	7,978	1	6
	Average for five years	1,595	9	11

No. 10.—*Statement giving figures of revenue derived by the Customs Department from export of poppy seed oil from 1922-23 to 1926-27 (both inclusive).*

Serial No.	Year A. D.	Income. Rs.	A.	P.
1.	1922-23	132	7	6
2.	1923-24	1,211	13	3
3	1924-25	616	4	6
4.	1925-26	235	3	0
5.	1926-27	610	1	3
	Total	2,805	13	6
	Average income for five years	561	2	8

No. 11.—*Statement showing income derived by the local Municipality from 1922-23 to 1926-27 (both inclusive).*

Serial No.	Year A. D.	Income. Rs.	A.	P.
1.	1922-23	1,097	14	9
2.	1923-24	899	13	0
3.	1924-25	891	9	9
4.	1925-26	409	10	0
5.	1926-27	1,038	5	0
	Total	4,340	4	6
	Average income for five years	861	0	11

[Represents municipal tax of 1 anna per seer on all opium brought for weighment.]

J. A. POPE.

No. 12.—*Statement giving figures of total income and expenditure of the State from 1922-23 to 1926-27 (both inclusive).*

Serial No.	Year A. D.	Income Rs.	A.	P.	Expenditure. Rs.	A.	P.
1.	1922-23	2,93,091	13	3	2,96,017	8	6
2.	1923-24	2,63,968	14	3	2,61,361	11	6
3.	1924-25	2,45,724	8	0	2,45,287	6	0
4.	1925-26	2,62,780	13	9	2,69,500	11	3
5.	1926-27	2,90,083	7	6	2,90,083	7	6
	Total	13,55,649	9	9	13,65,250	15	9

N.B.—Average income and expenditure for five years is Rs. 2,71,129-14-9 and Rs. 2,73,050-3-2 respectively.

No. 13.—*Statement regarding total loss in revenue, if opium discontinued.*

No.	Revenue from opium.	Rs.
1.	Land Revenue	16,000
2.	Profit by sale to Government	51,665
3.	Miscellaneous (Sayar and Municipality)	3,017
	Total	70,364
	Total revenue of the State	2,71,129

The proportion that the total loss of revenues from opium bears to the total revenue of the State . . . . 70,364 : : 2,71,129
1 : : 3·8

(*i.e.*, the total loss is approximately ¼ of the total revenue of the State).

[Note.—Over and above this loss, the loss to the Jagirdars will be Rs. 22,306 (*vide* statement No. 14).

The settlement was introduced in 1917-18, for 40 years.

The two highest classes under the settlement are based on opium cultivation only. If poppy is forbidden, the rates must be lowered. The figures shown above of loss of land revenue show the *minimum* loss—but the rates might go below Rs. 9 (statement 14).

There are no arrears of revenue.]

J. A. POPE.

No 14.—*Statement regarding total annual loss in land revenue due to discontinuance of poppy cultivation.*

Class	Area under poppy.	Land tax	Averag per bigha	Average revenue at Rs 9 per bigha if poppy cultivation discontinued	Loss in revenue
	Bigha.	Rs	Rs	Rs	Rs
Khalsa . .	4,113	52,925	13	37,017	15,908
Jagir . .	3,471	53,545	15½	31,23 9	22,306
Total .	7,584	1,06,470	14	68,256	38,214

[Col 1—7,584 bighas=all land paying poppy rates (statement 21)
11,350 bighas=whole irrigated area
5,800 bighas=approximate area actually under poppy (to produce contract of 580 maunds)]

J A POPE

No 15 —*Statement regarding the total annual loss to cultivators by substituting other crops for poppy*

Plough (Samad)	Annual loss by substituting other crops			
	Wheat and barley	Cotton and wheat	Sugarcane and wheat	M et and whit hea
	Rs	Rs	Rs	Rs
2,100	1,02,900	87,150	57,750	92 400

No 16 —*Statement regarding figures of sale of opium for local consumption from 1922 23 to 1926-27 (both inclusive)*

Serial No	Year A D	Quantity sold Mds	Srs	Chs.
1	1922 23	0	29	0
2	1923 24	0	21	6½
3	1924 25	0	27	10
4	1925 26	0	22	13
5	1926-27	0	23	8
	Total	3	7	5½
	Average for five years	0	25	7½

M

No. 17.—*Expenditure of Joint Opium Officer and his establishment from 1922-23 to 1926-27 (both inclusive).*

Serial No.	Year A. D.	Expenses. Rs.	A.	P.
1.	1922-23	3,836	1	11
2.	1923-24	2,891	5	1
3.	1924-25	5,689	9	5
4.	1925-26	2,170	6	6
5.	1926-27	4,232	6	0
	Total	18,819	12	11
	Average expenditure for five years	3,763	15	4

No. 18.—*Expenditure of Opium Establishment in the State from 1922-23 to 1926-27 (both inclusive).*

Serial No.	Year A. D.	Expenditure. Rs.	A.	P.
1.	1922-23	3,517	2	4
2.	1923-24	3,850	7	2
3.	1924-25	2,755	3	1
4.	1925-26	3,292	1	6
5.	1926-27	3,435	11	9
	Total	16,760	9	10
	Average expenditure for five years	3,352	2	0

No. 19.—*Estimated cost of preparing ball-opium.*

Serial No.	Particulars	Cost. Rs.	A.	P.
1	Cost of Opium [illegible]	[illegible]	[illegible]	[illegible]
2	[illegible]	[illegible]	[illegible]	[illegible]
3	[illegible]	[illegible]	[illegible]	[illegible]
4	[illegible]	[illegible]	[illegible]	[illegible]
	Total	[illegible]	[illegible]	[illegible]

[illegible]

No 20—*Actual area under poppy from 1922-23 to 1926-27*

Serial No	Year A D	Khalsa		Jagir		Total	
		Bigha	Biswa	Bigha	Biswa	Bigha	Biswa
1	1922 23	3,010	9	2 214	15	5,225	4
2	1923 24	3 318	7	2 256	13	5,575	0
3	1924 25	2 996	4	2 212	19	5,209	3
4	1925 26	2,245	9	1,062	18	3 308	7
5	1926 27	2,783	0	1,802	3	4,585	3
	Total	14,353	9	9 549	8	23,902	17
	Average	2 870	14	1 909	17	4,880	11

No 21—*Statement showing quality, area and land tax of Adans in the State*

Particulars	Area Bigha	Area Biswa	Land tax Rs	A	P
Superior quality of Adan fit for poppy—					
(1) Alif	287	15	6 134	7	9
(2) Khas	2,099	0	34 488	12	6
(3) Aval	5 198	0	65 844	6	6
Inferior quality of Adan—					
(a) Doyam	2,777	5	27,142	1	0
(b) Soyam	988	2	6 701	1	0
Total	11 350	2	1 40,310	12	9

No 22—*Statement showing the area irrigated and non-irrigated under cultivation in the Sitamau State*

Irrigated area		Non irrigated area		Total	
Bigha	Biswa	Bigha	Biswa	Bigha	Biswa
11,350	2	83 601	18	94,952	0

N B—20 Biswas = 1 Bigha
2 Bighas = 1 Acre

[NOTE—The Sitamau State Gazetteer, p 48, Table IX, shows the following figures for 1905 06 —

	Acres.
Uncultivated land	43 931
Irrigated land	3,901
Dry land	40,030]

J A POPE

N

No. 23.—Statement showing weight of opium delivered to Government, income, expenses and the net profit to the State from 1922-23 to 1926-27.

No.	Year A. D.	Gross weight of opium.	Income.			Expenses.				
			Total value of opium delivered to Government.	Other income.	Total.	Given to cultivators.	Expenses of Joint Opium Officer.	Local staff expenses.	Total.	Net profit.
		Mds. Srs. ch.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
1	1922-23 .	609 35 14	3,89,693 7 3	1,209 11 3	3,90,903 2 6	3,13,040 12 3	3,836 1 11	3,517 2 4	3,20,394 0 6	70,509 2 0
2	1923-24 .	483 37 8	3,15,342 5 9	1,909 7 3	3,17,251 13 0	2,58,928 14 0	2,891 5 1	3,850 7 2	2,65,670 10 3	51,581 2 9
3	1924-25 .	482 23 12	2,64,750 9 7	...	2,64,750 9 7	2,03,939 2 4	5,689 9 5	2,755 3 1	2,12,383 14 10	52,366 10 9
4	1925-26 .	228 15 13	1,42,289 15 9	1,295 7 7	1,43,585 7 4	1,03,844 12 6	2,170 6 6	3,202 1 6	1,09,217 4 6	34,368 2 10
5	1926-27 .	543 6 4	2,46,023 15 0	495 6 3	2,46,519 5 3	1,89,349 7 0	4,232 6 0	3,435 11 9	1,97,017 8 9	49,501 12 6
	Total .	2,347 38 14	13,58,100 5 4	4,910 0 4	13,63,010 5 8	10,69,103 0 1	18,818 12 11	16,760 9 10	11,04,683 6 10	2,58,326 14 10

No. 24.—Details of expenses on opium staff in the year 1926-27.

No.	Description.	From opium.			From stable (Sawari).			From Bhatta Kharch (T. A.).			TOTAL.		
		Rs.	A.	P.	Rs.	A.	P.	Rs.	A.	P.	Rs.	A.	P.
1	Allowance to Revenue Officer.	600	0	0	300	0	0	250	11	7	1,150	11	7
2	Inspector . .	500	0	0	170	0	0	182	11	0	852	11	0
3	Two Assistant Inspectors.	660	0	0	320	0	0	223	8	0	1,208	8	0
4	Girdawar one .	240	0	0	150	0	0	120	0	0	510	0	0
5	Two clerks .	300	0	0	...			50	6	0	350	6	0
6	Four chaprasis .	336	0	0	...			180	10	9	516	10	9
7	Expenses at the time of weighment.	799	11	9	...			...			999	11	9
	TOTAL	3,435	11	9	940	0	0	1,012	15	4	5,388	11	1

No. 25.—*Customs income of the Sitamau State for the year 1926-27.*

Import duty.			Export duty.			Duty on live-stock.			TOTAL.		
Rs.	A.	P.	Rs.	A.	P.	Rs.	A.	P.	Rs.	A.	P.
13,177	2	6	11,678	9	9	8,798	9	3	33,654	5	6

Figures of land revenue.

Samvat year.	Year, A. D.	Rs.	A.	P.
1962	1905-06	67,642	0	0
1972	1915-16	84,966	2	3

No. 26.—*Statement showing the area of Bid (grass land) and Charnoi (pasture land) in the Sitamau State.*

Bid (grass land).		Charnoi (Pasture land).		TOTAL.	
Bigha.	Biswa.	Bigha.	Biswa.	Bigha.	Biswa.
29,942	14	13,654	9	43,597	3

No. 27.—*Customs duty rates in the Sitamau State, 1927.*

	Per maund.
Import duty—	Rs. A. P.
Wheat	0 0 9
Juar and makka	0 0 6
Cotton seed	*Nil.*
Cotton (kapas)	*Nil.*
Cotton (ginned)	*Nil.*

Wheat.—Export duty is on the selling price and it is as follows:—

	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.		Rs. A. P.
Selling price per 6 mds	19 0 0	23 0 0	30 0 0	34 0 0	40 0 0	and above	40 0 0
Duty	0 8 0	1 0 0	2 0 0	3 0 0	6 0 0		8 0 0

Juar and makka.—Export duty is on the selling price per 6 mds. and is as follows:—

	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.		Rs. A. P.
Selling	12 0 0	15 0 0	19 0 0	23 0 0	30 0 0	and above	30 0 0
Duty	0 8 0	1 0 0	2 0 0	3 0 0	6 0 0		8 0 0

Cotton seed.—Export duty per 6 mds., if the selling price be Rs. 15 is Rs. 2 and if above Rs. 15, the rate of duty is Rs. 3.

Cotton (kapas).—Export duty per 6 mds. is Rs. 4.

Cotton (ginned).—Export duty is Re. 0-8-0 per maund.

Bullocks and buffaloes.—Rates of duty per head are as follows:—5 per cent. on selling price.

Cow.—No duty is levied, if sold in the State and if exported Rs. 10 per head.

No. 28.—*Statement showing area under cultivation in the Sitamau State for the year 1918-19 (Samvat 1975).*

Irrigated land.		Non-irrigated land.		TOTAL.	
Bigha.	Biswa.	Bigha.	Biswa.	Bigha.	Biswa.
11,264	8	82,956	15	94,221	3

REPORT FOR THE PIPLODA STATE.

Mr. BRIJLAL SHARMA, Revenue Officer of the State, is the Committee Member representing the State.

A Memorandum and statistical information supplied by the State in answer to the Terms of Reference are recorded by the Committee.

The Committee unanimously records the following conclusions.

I.—Old stocks of opium.

There are no stocks of old opium in the hands of merchants or private persons in the State.

The consumption is about 22 seers annually.

II.—Production of opium in the State.

The State has an agreement with Government for the production of 75 maunds annually. The total quantity sent to Ghazipur in the last two years has been 143½ maunds. The total purchase price received for this opium was Rs. 65,172. The cost of production included Rs. 45,759 paid to cultivators, Rs. 1,096 contributed (at 3 annas per seer at 70°) to the cost of the Joint Opium Officer, and Rs. 160 of miscellaneous expenditure, giving a total cost of Rs. 47,015. The balance of profit to the State was therefore Rs. 18,157, representing a profit of Rs. 3-2-8 per seer sent to Ghazipur. Assuming the normal production to be 75 maunds the annual profit may be taken at Rs. 3-2-8 per seer to be Rs. 9,500 annually.

The State levies no extra land revenue on land cultivated with the poppy under the current Settlement, which was introduced in 1913-14 (at a time when there was no poppy cultivation owing to the closing of the China trade) and expires in 1928-29. The rates for the best *adan* land under the Settlement are Rs. 25 per acre and it is stated that if poppy cultivation were discontinued there would have to be a reduction in the *adan* rates; but as the extent of the reduction (if any) cannot be foreseen, and as the current Settlement was presumably based on the value of *adan* lands *irrespective* of the profit from *opium, it is impossible to* suggest any figure for the loss of land revenue likely to be incurred if poppy cultivation ceased.

There would be a loss of about Rs. 100 in realizations of octroi on poppy seeds and oil.

The total estimated loss to the State, if production of opium ceased, would thus be Rs. 9,600.

Against this loss may be set the probable increase in revenue from sales of opium at State shops if poppy cultivation in Piploda and in the surrounding States were prohibited. The sales at

present average 22 seers annually; the retail selling price is Rs. 26-10-6 per seer; the cost price (including dryage) is Rs. 10; and the profit to the State from duty and license fee is approximately Rs. 12 per seer or Rs. 264 altogether. The present consumption represents in the population of 9,766 an average of 22·5 seers per 10,000 of population. In the absence of poppy cultivation it would probably increase to at least 40 seers per 10,000 or 39 seers altogether, giving increased revenue, on 17 seers at Rs. 12 per seer, of Rs. 204.

The net loss to the State if poppy cultivation were abandoned is thus estimated at Rs. 9,396. The total income of the State from all sources has averaged, in the last five years, Rs. 1,20,174. The loss represents 7·8 per cent. of the average income.

The State's views on the general question of discontinuing opium cultivation in the State are given in the Memorandum which forms an accompaniment to this Report. The State desires, in the interest both of the State revenues and of the cultivators, to continue the production of opium so long as a market is available. It requests sympathetic consideration for the State's claim to share in any market, internal or external, that may be open to Indian opium.

III.—Final arrangements for supply of opium for internal consumption in the States of Central India and Rajputana.

The State desires that cultivation in the State should continue, but is ready, if cultivation ceases, to obtain the opium required for internal consumption from any generally approved source, provided that the quality is suitable and the cost is not excessive.

IV.—The possibility of enhancing taxation upon opium and the probable financial effect of this policy.

The State is prepared to increase the selling price of opium concurrently with increases in neighbouring States. The present taxation profit, on sales of 22 seers at Rs. 12 per seer, is Rs. 264, and the profit if opium cultivation ceased, on present rates and on sales of 39 seers, would be Rs. 468. If the cost price were raised, by gradual stages, to Rs. 100 and the State's profit were then Rs. 70 per seer, and if consumption fell to an average of 20 seers per 10,000 or about 19 seers altogether, the State's revenue would then be Rs. 1,330.

J. A. POPE, *President.*
G. S. HENDERSON, } *Members.*
AZIZUDDIN AHMED, }
BRIJLAL, }

Dated Rutlam, the 8th February 1928.

Accompaniment to Piploda State Report.

Memorandum on the Terms of Reference to Indian States Opium Committee by the Piploda State, C. I.

I. (1) (*a*) Poppy is cultivated in the Piploda State in 300 acres.

(*b*) In adans (land of superior quality) where they are irrigated by means of wells or ohrris in which there is sufficient water.

(*c*) The yield is according to the condition of season such as if there is much rainfall in the month of December or frost the yield gets low.

(*d*) From the point of view of the cultivator it is most advantageous to cultivate poppy as compared with the other crops, because the soil in which poppy is cultivated gets on better and better day by day and much of the cultivators' labour and expenses saved.

(*e*) Cotton, wheat and gram can also be sown instead of opium but these crops cannot yield as much as the opium and the effect on the cultivator is that he will have to suffer loss year by year.

II. (*i*) (*a*) The land revenue from land cultivated with opium is Rs.

(*b*) *Nil.*

(*c*) *Nil.*

(*d*) Rs. 9,000 a year as a profit to the State on opium that is supplied to Government.

(*e*) *Nil.*

(*ii*) No other revenue can be equal to that of the opium.

(*iii*) About 800 rupees a year (including the amount of contribution towards the maintenance of the Joint Opium establishment).

(*iv*) *Nil.*

(*v*) *Nil.*

(*vi*) The present source of supply is from the State. People are habituated to use opium that is produced and prepared in the State, they will feel it great troublesome to use opium that is imported from other places, but in case the Government are prepared to stop opium cultivation, they will use that opium under compulsion. The financial result in this case will be that the State will have to suffer a loss of Thekadari income.

(*vii*) The present cost price of opium is Rs. 7 per seer and the selling price is about Rs. 17 per seer.

(*viii*) When popy cultivation will be discontinued the State will have to suffer a loss of Rs. 9,000 on account of profit and the condition of adans will get lower and lower day by day and hence the adan rates will also be reduced, in this way the State will have to suffer a loss of Rs. 14,000 on account of the soil getting of bad condition and by this the rates will have to be reduced. According to the accounts prepared by the Revenue Officer it seems that the following will have to be suffered by the State as well as by the

cultivators and Jagirdars. Rs. 9,000 as profit to the State. Rs. 14,000 on account of deficit in the revenue on account of the decreasement in the rates of adans when no opium will be sown in it. Rs. 14,000 on account of loss to the cultivators because no crop can be so yielding that opium.

Besides this in the fields in which opium is cultivated they can grow macca but in the fields in which wheat is sown no other crop can be sown and at the same time the soil gets on poorer and poorer day by day. The effect of this loss to the cultivator and the State, will be just the same just as if a man is told to wear warm cloths in winter for four or five years but for one year he is ordered to put off all his warm clothes and go here and there in cold seasons bare body, it will be seen what sort of trouble and loss that man will have to suffer. In the circumstances explained above the Darbar hope that the Government of India will be gracious enough not to stop the opium cultivation in the Piploda State.

II. (*i*) People use opium in two ways: (1) some men take a little quantity of opium in solid and devour it. (2) some men take the solid opium and dissolve it in water and drink that water.

(*ii*) Opium is used in the form of biscuits.

(*iii*) *Nil.*

(*iv*) The opium is used in the State in very little quantities and hence it is quite impossible to reduce it.

III. *Nil.*

IV. Every precaution is taken by the State that not even a tola of opium can be exported from the State territory. I can assure you in this matter that never can opium be exported to other places than the Piploda State because as soon as the opium is extracted it is weighed by the State authorities and taken under the State control by the Revenue Officer and then it is supplied to Government through the Joint Opium Officer, Malwa States. It is also to be noted here that the opium is extracted in presence of the Patel, Patwari, and Pattedars of the villages.

V. People are not habituated to use opium that is sent for from Ghazipur but in case the opium cultivation is stopped they will have to use that opium under compulsion.

Statistical information in connection with the Terms of Reference of the Opium Committee regarding Opium cultivation in the Piploda State.

1. (*i*) (*a*) The required statement is herewith attached a perusal of which will show how many acres of land were placed under poppy cultivation in each year and what was the actual outturn of crude opium. The figures are from 1917-18 to 1926-27, as the previous figures are at present not available. From the year 1911-12 to 1917-18 the opium cultivation in the State was totally stopped and the figures for 1906-07 to 1911-12 are not forthcoming, however a statement (*b*) is submitted by perusal of which it

will be seen how many acres of land were placed under poppy cultivation in each year from 1893-94 to 1906-07.

(c) Column 4 of the above statement will show what was the actual average output of opium in each of the years per acre.

(d) The usual income and expenditure *of a cultivator will* be seen by a perusal of statement (c) in which figures for unirrigated land are given. This will show that a cultivator owning or holding an average land is gaining Rs. 11 per acre and by perusal of statement (d) you will kindly come to know that a cultivator is gaining from Rs. 24 to Rs. 37 on an acre of irrigated land, and lastly by perusal of statement (e) it will come to your notice *that a cultivator* gains about Rs. 94 per acre on land in which poppy is cultivated. All these statements will show that a cultivator has much more profit by growing opium than any other crop. No crop either irrigated or unirrigated can beat opium crop and cannot in any case be so yielding as opium. For growing opium a cultivator has first to undergo many expenses for preparing land such as manure, etc., but when the soil gets on good for opium cultivation once, it goes on getting better and better day by day, because opium is sown in it and is given plenty of " Khat ", etc., every year. By the cultivation of opium there is a *great profit to the* State *also because as the soil gets on better* and better the land taxes are also increased in the same way. When the opium cultivation is abolished the condition of adans will get on bad to worse every year and the result will be that the cultivators as well as the State will have to suffer a great loss. There is no export of cattle in the Piploda State. Agricultural produce is also not exported usually. It is exported when the new *crops seem to be promising and* the *Municipal taxes* for it are as under:—

	Annas per mani.
Wheat	10
Juar	4
Linseed	10
Gram	10
Maize	10
Cotton	12

As the inhabitants of the Piploda State are given muafi of Sayer *tax, no* Sayer tax is recovered from any one.

2. (i) (a) At present the rate of adans in which opium is cultivated is Rs. 25 per acre but when opium cultivation is stopped it will be diminished according to the condition of the soil.

(b) The State sells opium to the retail seller at Rs. 20 per seer only. There are no other costs on this and the license fee is Rs. 15 a year.

(d) The accompanying statement (f) will show these figures. The State does not make any expenditure for producing opium for the Government. Only at the time of weighment Rs. 80 or about Rs. 100 are spent and Rs. 641 towards the Joint Opium Establishment Fund.

(*iii*) There is no special establishment for opium. This department is under the Revenue Department and the Revenue Officer and clerks of that department do this work. They are not paid any special allowance to do this work.

(*vii*) The present cost price of opium in the State is rupees ten per seer. No other expenses such as manufacturing, etc., are made.

A.—*Statement showing the area under poppy cultivation and its output for the following years of the Piploda State, C. I.*

No.	Years.	Area under poppy cultivation.	Outturn in mds.	Average outturn per acre.
				Seers.
1	1917-18	170·55	25-22	7
2	1918-19	49·18	13-33	9⅓
3	1919-20	172·98	27-39	6¼
4	1920-21	282·48	78-7	11
5	1921-22	202·81	55-29-9	11
6	1922-23	576·20	164	11⅓
7	1923-24	396·76	101-37-12	10
8	1924-25	359·39	94·26·6	11
9	1925-26	262·33	42-16-13	7
10	1926-27	329·56	102-26-12	12

B.—*Statement showing the area under poppy cultivation in the Piploda State for the years 1893-94 to 1906-07.*

No.	Years.	Area under poppy cultivation Bighas.
1.	1893-94	1,471
2.	1894-95	*Nil.*
3.	1895-96	1,128
4.	1896-97	1,507
5.	1897-98	1,501
6.	1898-99	*Nil.*
7.	1899-1900	62
8.	1900-01	1,196
9.	1901-02	486
10.	1902-03	730
11.	1903-04	2,191
12.	1904-05	389
13.	1905-06	452
14.	1906-07	632

C.—Statement showing income and expenditure on unirrigated land in the Piploda State per acre.

No.	Name of crop.	Seeds.	Ploughing.	Labour.	Land tax.	Total.	Outturn.	Price of Bhusa.	Total.	Profit to the cultivator.
		Rs	Rs A.	Rs. A.	Rs.	Rs A.	Rs.	Rs.	Rs.	Rs A.
1	Wheat	6	4 8	1 0	4	15 8	24	3	27	11 8
2	Gram	3	4 8	1 0	4	12 8	22	...	22	9 8
3	Linseed	6	2 0	...	4	12 0	18	...	18	6 0
4	Juar	7	2 0	0 8	4	13 8	18	10	28	14 8

D.—*Statement Showing income and expenditure on an irrigated acre of land in the Piploda State.*

No.	Name of Crop.	Expenses per acre.						Total.	Income per acre.			Total.	Profit to the cultivator.
		Cost of seed.	Watering.	Ploughing.	Labour.	Manure.	Land tax.		Outturn. Weight in Maunds.	Outturn. Price.	Price of Bhusa.		
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.	Rs.
1	Wheat . .	6	16	4	1	11	15	53	18	72	4	76	23
2	Cotton . .	2	6	4	15	11	15	53	9	90	...	90	37

E.—*Statement showing income and expenditure per acre for producing opium in the Piploda State.*

No.	Name of Crop.	TOTAL EXPENDITURE PER ACRE.									TOTAL INCOME PER ACRE.					Profit to the cultivator per acre.
		Cost of seed	Labourer.	Weeding.	Watering	Adan preparing.	Manure	Land tax.	Extracting of opium	Total.	Outturn.		Cost of seed.	Cost of Bhusa.	Total.	
											weight	Cost of opium				
		Rs A	Rs. A.	Rs. A	Rs. A.	Rs. A.	Rs A	Rs A.	Rs A.	Rs A.		Rs. A.	Rs. A.	Rs. A.	Rs. A.	Rs. A.
1	Macca . .	0 12	7 8	8 0	..	...	9 0	.	...	25 4	12 mds	...	36 0	..	36 0	...
2	Opium . .	1 0	8 0	10 0	21 0	4 0	10 0	25 0	16 0	98 0	11 srs.	110 0	45 0	...	155 0	93 12
3	Dhana . .	0 8	...	...	...	...	...	...	...	...	...	...	2 8	...	...	...
4	Zira . .	0 8	...	...	..		.	...	...	2 0	...	...	2 8	...	23 0	..
5	Masoor . .	0 8		...	.	...	...	.		...	..	...	5 0	...	...	...
6	Garlic . .	0 8	...		...	...	.	..	.	125 4		.	18 0	..	219 0	...

NOTE.—The land in which opium is cultivated *Macca* is first sown and when Macca is collected opium is sown therefore Macca is also under the income and *expenditure of opium*, and for the same reason there is no special separate rate charged for Macca producing. *In the same way in* Adans in which opium is cultivated, Dhana, Zira, Masoor and Garlic crops are also grown and so they too are under the head of income.

D.—Statement Showing income and expenditure on an irrigated acre of land in the Piploda State.

No.	Name of Crop.	Expenses per acre.						Total.	Income per acre.			Total.	Profit to the cultivator.
		Cost of seed.	Watering.	Ploughing.	Labour.	Manure.	Land tax.		Outturn. Weight in Maunds.	Outturn. Price.	Price of Bhusa.		
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.	Rs.
1	Wheat . .	6	16	4	1	11	15	53	18	72	4	76	23
2	Cotton . .	2	6	4	15	11	15	53	9	90	...	90	37

E.—Statement showing income and expenditure per acre for producing opium in the Piploda State.

No.	Name of Crop.	Total expenditure per acre.									Total income per acre.					Profit to the cultivator per acre.
		Cost of seed.	Labourer.	Weeding.	Watering	Adan preparing.	Manure	Land tax.	Extracting of opium.	Total.	Outturn.		Cost of seed.	Cost of Bhusa.	Total.	
											weight.	Cost of opium				
		Rs A.	Rs. A.	Rs. A.	Rs. A.	Rs. A.	Rs. A	Rs A.	Rs. A.	Rs. A.		Rs. A.	Rs. A.	Rs. A.	Rs. A.	Rs. A.
1	Macca	0 12	7 8	8 0	...	...	9 0	...	...	25 4	12 mds	...	36 0	...	36 0	...
2	Opium	1 0	8 0	10 0	21 0	4 0	10 0	25 0	16 0	98 0	11 srs.	110 0	45 0	...	155 0	93 12
3	Dhana	0 8	...	...	...	...	...	...	...	...	...	...	2 8	...	...	...
4	Zira	0 8	...	...	.	.	..	...	...	2 0	...	...	2 8	...	23 0	...
5	Masoor	0 8	..	...	...	...	...	...	.	...	...	...	5 0	...	...	...
6	Garlic	0 8	...	...	...	...	..	...	...	125 4	...	..	18 0	...	219 0	...

Note:—The land in which opium is cultivated Macca is first sown and when Macca is collected opium is sown therefore Macca is also under the income and expenditure of opium, and for the same reason there is no special separate rate charged for Macca producing. In the same way in Adans in which opium is cultivated, Dhana, Zira, Masoor and Garlic crops are also grown and so they too are under the head of income.

F.—*Statement showing the opium produced and its value received from Government in the Piploda State for 1925-26 and 1926-27.*

No.	Years.	Weight of opium at the time of weighment.			Weight of opium challaned to Ghazipur.			Price of opium received from Government.			Price paid to the cultivators.			Profit.		
1	2	3			4			5			6			7		
		Mds.	Sr.	Ch.	Mds.	Sr.	Ch.	Rs.	A.	P.	Rs.	A.	P.	Rs.	A.	P.
1	1925-26 .	42	16	13	42	16	13	24,486	5	9	17,185	13	6	7,300	8	3
2	1926-27 .	102	26	12	101	3	8	40,686	0	2	28,573	2	9	12,112	13	5
	Total .	145	3	9	143	20	5	65,172	5	11	45,759	0	3	19,413	5	8

Statement showing the income of the Piploda State from the 1st July 1922 to 30th June 1927.

No.	Names	1922 23.	1923 24.	1924-25.	1225-26	1926-27.	TOTAL.
		Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.
1	Revenue (Malguzari)	68 016 8 6	70,411 13 0	69,165 0 0	67,217 9 0	66,739 1 0	3,41,549 15 6
2	Balance (last year)	5,123 10 0	4,912 2 9	2,959 2 6	3,808 14 3	2,376 7 3	19,180 4 9
3	Tanka Jagirdaran	894 6 3	2,245 6 3	2,046 6 3	2,051 0 0	2,000 6 3	9,237 9 0
4	Thikria Bachuria	1,400 0 0	1,400 0 0	1,400 0 0	1,400 0 0	1,400 0 0	7,000 0 0
5	Girar Alote	..	...	.....	.....	......	... ..
6	,, Gudgacha	......	.	55 0 0	55 0 0	55 0 0	165 0 0
7	Dami (Tal Mandawal)	......	3,000 0 0	500 0 0	500 0 0	500 0 0	4,500 0 0
8	Panth Piploda	8,000 0 0	7,000 0 0	13,566 14 0	10,500 0 0	5,000 0 0	44,066 14 0
9	Khirni	451 6 9	169 10 9	305 15 9	304 12 3	261 5 3	1,493 2 9
10	Rajputsabha	2 0 0	24 0 0	19 0 0	14 0 0	13 0 0	72 0 0
11	Balai lag	64 14 0	8 0 0	74 0 3	35 1 3	28 6 3	210 5 9
12	Chamari	638 12 0	351 10 6	448 8 6	511 6 6	580 11 9	2,531 1 3
13	Custom Duty	758 8 3	791 0 0	388 6 0	456 11 9	362 9 6	2,757 3 6
14	Cotton Duty	2,217 2 6	1,646 7 6	1,332 13 3	1,086 13 6	486 2 9	6,769 7 6
	Carried over	87,567 4 3	91,960 2 9	92,261 2 6	87,941 4 6	79,803 2 0	4,39,533 0 0

Statement showing the income of the Piploda State from the 1st July 1922 to 30th June 1927—contd.

No.	Names.	1922-23.	1923-24.	1924-25.	1925-26.	1926-27.	TOTAL.
		Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.
	Brought forward .	87,567 4 3	91,960 2 9	92,261 2 6	87,941 4 6	79,803 2 0	4,39,533 0 0
15	Weighing	383 15 3	326 0 0	351 0 0	678 1 6	606 14 0	2,345 14 9
16	Nazarana	1,636 14 6	2,354 3 3	1,480 11 0	574 2 0	257 9 6	6,303 8 3
17	Stamps	1,046 14 0	1,515 13 9	1,010 9 6	1,292 5 9	1,097 0 0	5,962 11 0
18	Abkari	11,768 13 6	11,011 3 6	11,000 0 0	11,004 0 0	10,324 0 0	55,108 1 0
19	Hemp-Drugs	862 3 0	1,140 14 0	794 11 9	982 3 6	899 7 0	4,679 7 3
20	License fee of Opium and Hemp-Drugs .	135 0 0	248 0 0	249 0 0	267 8 0	288 8 0	1,188 0 0
21	Forest	2,289 8 3	2,758 3 6	2,301 4 6	2,570 8 3	2,647 10 0	12,567 2 6
22	Judicial	2,180 1 9	1,606 11 9	1,336 8 3	3,206 8 0	935 6 6	9,265 4 3
23	Cattle-pound	259 9 0	295 6 6	441 10 9	374 3 0	285 14 6	1,656 11 9
24	Registration fee	......	13 0 0	31 12 0	50 4 0	30 2 0	125 2 0
25	Royalty of Cotton	......	163 1 3	79 6 6	120 8 6	514 9 0	877 9 3
26	Profit of Opium	19,588 14 0	9,467 2 3	11,266 6 9	7,300 8 0	11,350 0 3	58,972 15 3
27	Phala of Panchewa	......	240 0 0	......	240 0 0	......	480 0 0
28	Miscellaneous	520 11 6	373 8 3	236 11 9	518 8 3	157 3 6	1,806 11 3
	TOTAL .	1,28,239 13 0	1,23,173 6 9	1,22,840 15 3	1,17,120 9 3	1,09,197 6 3	6,00,872 2 6

MGIPC—L—VI 59(b)—12 2 29—177.